

77th ANNUAL REPORT 2013-14

### Symbol



Nature's Essence symbol: A blend of health, science, nature and youthfulness to increase the brand's appeal across all demographics.

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### Seal of trust

## Since 1893

Pioneer in the industry with the seal of trust and believability in the brand's products for having catered to consumers pain free living for over a century now.

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### Typography

# Amrutanjan

Cursive typography to bring in modernity for easier brand recall and youth connect.

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### Promise

## Pure Healthy Essence

"Pure Healthy Essence" is nature and science combined to give healthy beauty. It emphasizes that naturally extracted essence with deep action for health works effectively and without side effects. This pure, trusted extracts are derived from natural products through scientific research.

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# TEN YEAR RECORD

(₹ in lakhs)

PARTICULARS	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
	with Beverage Division									
Sales	14,440.37	14,209.16	14,038.22	10,775.39	9,374.55	9,607.61	8,566.20	8,269.58	8,025.64	7,591.83
Other Income	283.71	426.64	449.26	483.22	605.19	695.57	39.76	98.91	134.07	78.72
Total Income	14,724.08	14,635.80	14,487.48	11,258.61	9,979.74	10,303.18	8,605.96	8,368.49	8,159.71	7,670.55
Profit Before Tax (PBT)	2,125.34	1,779.43	1,889.00	1,608.22	1,926.49	1,868.03	994.37	1,427.85	1,259.11	892.53
Provision for Taxation:										
Current tax & short Provision of earlier years	715.00	589.93	650.00	416.43	750.37	735.71	173.49	518.36	514.85	335.58
Deferred Tax	(41.97)	(22.46)	(117.49)	(101.97)	(39.51)	(78.57)	194.77	(17.44)	(60.46)	(46.25)
Profit after Tax (PAT)	1,452.31	1,211.96	1,356.49	1,089.82	1,215.63	1,210.89	626.11	926.93	804.72	603.20
Dividend	467.69	438.46	438.46	443.81	454.50	521.05	224.00	192.00	128.00	112.00
Fixed Assets & Investments	2,960.08	4,790.09	5,394.60	10,069.30	6,823.21	1,861.74	2,228.89	1,537.55	1,593.55	2,042.41
Net Current Assets	7,487.71	5,502.08	4,970.80	3,270.05	3,326.39	7,862.96	1,563.27	1,761.18	1,156.26	2,424.24
Total	10,447.79	10,292.17	10,365.40	13,339.35	10,149.60	9,724.70	3,792.16	3,298.73	2,749.81	4,466.65
Represented by:										
Share Capital	292.31	292.31	292.31	303.00	303.00	310.17	320.00	320.00	320.00	320.00
Reserves	9,399.86	8,494.72	7,794.61	9,989.29	9,438.34	9,072.28	2,225.27	1,999.16	1,628.60	2,469.83
Net Worth	9,692.17	8,787.03	8,086.92	10,292.29	9,741.34	9,382.45	2,545.27	2,319.16	1,948.60	2,789.83
Loans	550.00	1,257.54	2,008.42	2,662.69	125.85	20.64	846.70	768.61	572.80	1,387.95
Deferred Tax Liability	205.62	247.60	270.06	384.37	282.41	321.61	400.19	210.96	228.41	288.87
Total	10,447.79	10,292.17	10,365.40	13,339.35	10,149.60	9,724.70	3,792.16	3,298.73	2,749.81	4,466.65
Earnings per share (₹) (before extraordinary items)	9.94	8.29	45.71	35.97	40.03	38.07	19.57	28.96	25.15	18.85
Book value per shares (₹)	66.32	62.46	276.67	339.58	329.50	340.95	79.54	72.47	60.89	87.18
Dividend (%)	160	150	150	150	150	170	70	60	40	35

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

The numbers from 2011-12 are inclusive of Beverages division as the merger has been approved by court w.e.f.01.04.2011.

Shares sub division from ₹ 10 to ₹ 2 effected from 2012-13.



## Corporate Information

### Board of Directors

Mr. S. Sambhu Prasad *Chairman & Managing Director*  
 Dr. H.B.N. Shetty  
 Mr. D. Seetharama Rao  
 Dr. Pasumarthi S.N. Murthi  
 Mr. A. Satish Kumar  
 Dr. Marie Shiranee Pereira

### Management Team

Mr. Kannan K. *General Manager - Finance*  
 Mr. Joydeep Chatterjee *Business Head - Sales & Distribution*  
 Mr. Jeyakanth S. *General Manager - Supply Chain Management*  
 Mr. Ravichandran J. *DGM - Research & Development and Quality*

### Statutory Auditors

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

### Bankers

HDFC Bank Limited  
 Yes Bank Limited  
 Punjab National Bank  
 HSBC Limited  
 ICICI Bank Limited

### Registered Office

No.103 (Old No. 42-45), Luz Church Road  
 Mylapore, Chennai - 600 004.  
 Telephone : 044-2499 4164 / 2499 4146 / 2499 4465 / 2499 4366  
 Fax : 044-2499 4585  
 E-mail : [investors@amrutanjan.com](mailto:investors@amrutanjan.com)  
 Website : [www.amrutanjan.com](http://www.amrutanjan.com)

### Factories

Mylapore, Chennai  
 Uppal, Hyderabad  
 Aranvoyal Village, Tiruvallur

### Registrar & Share Transfer Agent

Cameo Corporate Services Limited  
 "Subramaniam Building"  
 No.1, Club House Road, Chennai - 600 002.  
 Telephone : 044-2846 0390 (5 Lines)  
 Fax : 044-2486 0129  
 E-mail : [investor@cameoindia.com](mailto:investor@cameoindia.com)

## Our Values

Commitment towards interests of all Stakeholders-customers, employees & community.

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To achieve leadership position in all our businesses.

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

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

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## Chairman and Managing Director's Letter

*Dear Valued Stakeholders,*

This space is an opportunity for me to share the vision for the company and also touch upon what has transpired the year in review.

2013-14 was a year of bouncing back after zero growth last year. Our core OTC business saw volume and value growth and this combined with improving material costs and expenditure control, led to a margin expansion in both Gross and Operating levels. We foresee this trend to continue into the future. Our gross sales grew from ₹ 121 crores to ₹ 130 crores. The overall volume growth was around 6% and the Gross margins improved by 2.5 points, to 58.5% from 55.8%. We foresee Gross margins to get back to the 60% level in 2014-15 year, which is a level that we last saw in 2009. The factors that contributed to sales growth were

- Double digit growth in West and East Zones
- Launch of Body Roll on in the later part of the year
- Expansion of distribution to tier 2 and 3 towns in Maharashtra and Karnataka
- Growth in small packs in small towns
- Growth in other products like Decorn corn caps and sanitary napkins
- Growth in large value packs in metros

As mentioned in the last few Annual Reports, we are very clear on our strategy going forward: Focus on Head, Body and Congestion areas for our core business and offer/build portfolios in each vertical. We wish to also expand on our smaller portfolio of other products like Sanitary napkins and foot care products (corn caps) that can grow by entering the distribution chain and reaching consumers. Once they individually reach a level of sales that is self sustaining brand investments can happen. We have other unique OTC products that will be entering the market space this year.

We also have various formats like sprays and roll ons in addition to balms. Our overall Roll on Format stands at more than 10% of sales which in 2009 was only 4%. We are also growing in the Modern Trade format and this channel contributes to 5% of total sales. This was at 3% of total sales in 2009. This is a strategic interest for us as it lends to showcasing our range of products on one shelf hereby building awareness of the entire portfolio. We are also expanding into overseas market which should add to our growth targets.

The challenges for a company our size is to match the investments in media attempted by our much larger competitors. We have to recognize that our nearest competitor is 10 times our size and two of the smaller brands have sold out to larger competitors in the last 5 years. This was a very dormant category till 2009! In spite of these headwinds we executed to sustain in this business. This industry is driven by investments in the brand and this is a fact. Share of Voice and Share of Market are correlated strongly. We wish to steadily increase our share of voice to a level that will help us build new brands, and sustain existing ones. We do not wish to do so by TV alone. For instance, we started a sampling drive for our Roll on that reaches lakhs of consumers a year. Some of this is funded via operating efficiency drives: removing excess packaging material, inventory management, use of common sales force to market both OTC and Beverages and much more.

We wish to grow the next 3-5 years at a CAGR of 33%. This is bold. But looking at the past, one can argue we are trending in the right direction.

2000-2005: 0%      2005-2009: 5%      2010-2013: 10%

Growth is a process. It requires the right mix of ingredients: culture, people and execution.

We have built the foundation for higher growth due to implementation of a improved execution culture: be it system development in sales and distribution (in 2009-10) or a better human resource development program that grooms internal leaders: Today, half of all leaders who have taken new sales or functional assignments are internal hires. Going forward, human resource development would dictate the probability of us achieving our goals. This is a challenge for smaller companies as they struggle to attract talent. This does not mean we do not infuse new blood and new ideas into the management team. We have an efficient blend of new and existing talent in the company that promotes diversity of thought and action.

Our Beverage business under the brand Fruitnik dropped by 30% largely due to a 10% drop in overall category sales and delayed execution of expansion into newer states. As this report is being printed, our business has expanded into all the southern states (barring Kerala) and Orissa. Plans are under way to enter West Bengal, UP and Maharashtra by end of the year. We have already added 189 distributors and 169 towns since last fiscal in these states. Our vision for this business is two fold: Grow the generic fruit drink business into all the states where OTC business is thriving and launch new value added categories like health and wellness drinks in metros and tier 2 towns.

Our Pain Services business saw a growth from ₹ 99 lakhs to ₹ 132 lakhs in sales. We have 2 centers in Chennai and wish to expand more centers. The challenges here are getting Insurance to cover Pain Service. Once that is offered, we feel the footfalls and revenue will improve drastically.

Sincerely,

S. Sambhu Prasad



## 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 'skus' 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 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 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.



Back Pain Roll-on provides instant relief from back pain. Get instant and long lasting relief from back pain.

- Easy to use & apply
- Non-staining
- Non-messy
- Zero wastage



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



## Products in Congestion Management



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



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



Amrutanjan Relief Cough & Cold Swas 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 Health Care & Hygiene



Amrutanjan Decorn 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.



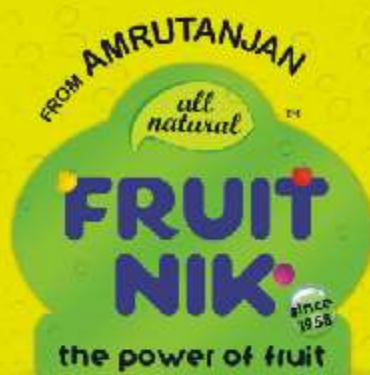
Comfy sanitary napkin offers triple benefits. It has got superior absorption, rash free and comes with the all new leak proof technology that ensure zero leak.



Amrutanjan Xpert Dermal Ointment for relief from rashes, itches, cracked heels and eczema



Amrutanjan Diakyrur is a unique herbal formula that helps to control your blood sugar levels. Taken from ancient Ayurveda manuscripts, this powerful remedy is enriched with a unique combination of Salacia reticulata, Cassia javanica, Gymnema sylvestre and Terminalia arjuna. Together, they help to control diabetic hyperglycemia as well as keep your heart healthy.



Amrutanjan's Fruitnik - a new fruit juice drink filled with the goodness of natural fruits.

**Fruitnik comes in 3 flavours:**

- Recharging Mango contains essential nutrients and fiber for total well-being
- Revitalising Apple contains rich source of antioxidants, vitamins and minerals to fight cell ageing
- Rejuvenating Grape contains antioxidants to build vitality and Immunity



  fruitnik | [www.fruitnik.com](http://www.fruitnik.com)

A quality product of Amrutanjan Health Care Ltd.



## NOTICE TO SHAREHOLDERS

Notice is hereby given that the Seventy Seventh (77th) Annual General Meeting of the Members of Amrutanjan Health Care Limited will be held on Monday, 22nd September 2014 at Narada Gana Sabha, (Sathguru Gnanananda Hall), No. 314, (Old No.254), T.T.K. Road, Chennai – 600018 at 10.15 a.m. to transact the following business:

### ORDINARY BUSINESS:

Item No. 1: To receive, consider and adopt the Balance Sheet as at 31st March, 2014, the Profit And Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.

Item No. 2 : To take on record interim dividend already paid and to declare final dividend on equity shares for the year ended 31st March, 2014.

Item No. 3: To appoint a director in place of Dr. Pasumarthi S.N Murthi (DIN 00051303), who retires by rotation and, being eligible, offers himself for re-appointment.

Item No. 4: To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. P.S. Subramania Iyer & Co., Chartered Accountants, Chennai (Firm Registration No.004104S) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 78th Annual General Meeting of the Company, on a remuneration as may be determined by the Board of Directors of the Company."

### SPECIAL BUSINESS:

Item No. 5: To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. H.B.N Shetty (holding DIN 00015465), Director, who retires at this Annual General Meeting be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of three consecutive years from this Annual General Meeting".

Item No. 6: To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. A. Satish Kumar (holding DIN 00087283), Director, who retires at this Annual General Meeting be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of three consecutive years from this Annual General Meeting".

Item No. 7: To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Marie Shiranee Pereira (holding DIN 05177560), Director, who retires at this Annual General Meeting be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of three consecutive years from this Annual General Meeting".

Item No. 8: To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. S. Vydeeswaran (DIN 06953739), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of three consecutive years from this Annual General Meeting".

Item No. 9: To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company be and is hereby amended by inserting the following new Article 105A after the existing Article 105:

105A. Mr. S. Sambhu Prasad shall be the Chairman and Managing Director of the Company whose period of office is not liable to determination by retirement of Directors by rotation."



## NOTICE TO SHAREHOLDERS (Contd.)

Item No. 10: To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the General Meeting and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹ 50 Crores (Rupees Fifty crores) over and above the aggregate of the paid up share capital and free reserves of the Company".

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby empowered and authorized to arrange and fix the terms and conditions of the loans to be borrowed from time to time as to interest, repayment, security or otherwise, howsoever as they may deem fit".

Item No: 11 :To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT in supersession of the Ordinary Resolution passed at the General Meeting and pursuant to Section 180 (1) (a) of the Companies Act, 2013 and the rules made thereunder, the consent of the Company be and is hereby accorded to mortgage and charge immoveable / moveable properties of the Company by the Board of Directors of the Company, wheresoever situated, present and future to or in favour of Financial Institutions / Banks (hereinafter referred to as "Lenders") to secure the Financial assistances granted/ to be granted by the Lenders upto an amount in the aggregate not exceeding ₹ 50 Crores, together with all interest thereon, commitment charge, costs, charges, expenses, and all the moneys payable by the Company to the Lenders in terms of the respective facility agreements entered into by the Company in respect of the aforesaid assistances."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the lenders, as the case may be the documents for creating the aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution.

Item No: 12 :To consider and if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT the Company do hereby confirm and ratify in terms of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder the remuneration approved by the Board of Directors on the recommendations of the Audit Committee for Mr. G. Thangaraj (Firm Regn. No. 100464) for conducting the audit of cost records of the Company for the financial year 2014-15 at ₹ 1,50,000/- P.A (Rupees One lakh fifty thousand per annum) plus reimbursement of out of pocket expenses incurred for purpose of such audit".

For and On Behalf of the Board of Directors  
For AMRUTANJAN HEALTH CARE LIMITED

S. Sambhu Prasad  
Chairman & Managing Director

Place : Chennai

Date : 22nd August, 2014

## NOTICE TO SHAREHOLDERS (Contd.)

### NOTES:

1. Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
5. The Register of members and the share transfer books will remain closed from Friday, 19th September, 2014 to Monday, 22nd September, 2014 (both days inclusive) for determining the names of members eligible for Dividend on Equity Shares.
6. The Final Dividend on 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 and to the eligible beneficial owners whose names appear in the list provided by the by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on the close of business hours on as on 18th September, 2014.
7. 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.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/Registrar and Transfer Agents, M/s. Cameo Corporate Services Private Limited.
9. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unclaimed for a period of 7 years from the date of declaration would be transferred to the "Investor Education and Protection Fund" (IEPF) constituted by the Central Government and the shareholders would not be able to make any claims as to the amount of dividend so transferred to the Fund. Accordingly, during the Financial Year 2013-14, the Company has transferred the unclaimed dividend pertaining to the Financial Year 2005-2006 amounting to ₹ 1,33,491/- and Financial Year 2006-07 amounting to ₹ 2,19,200/- to IEPF. Members who have not yet encashed their final dividend warrants from the Financial Year 2006-2007 onwards are requested to make their claims to the Company immediately.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, Cameo Corporate Services Private Limited.
11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
12. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least seven days before the date of the Annual General Meeting to enable the Company to keep the information ready at the meeting.
13. VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is offering e-voting facility to its members in respect of the businesses to be transacted at the 77th Annual General Meeting. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL), for facilitating e-voting, as the Authorised Agency to provide e-voting facilities.

## NOTICE TO SHAREHOLDERS (Contd.)

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The procedure and instructions for e-voting forms part of this notice

- (i) The e-voting period commences on Monday, 15th September, 2014 (9.00 a.m. IST) and ends on Wednesday, 17th September, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 22nd August, 2014 may cast their vote electronically.
- (ii) The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by a Member, he shall not be allowed to change it subsequently.
- (iii) The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on 22nd August, 2014.
- (iv) Mr. P. Sriram of M/s. P. Sriram & Associates, Practising Company Secretary (Membership No.F4862) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (v) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against forthwith to the Chairman of the Company.
- (vi) Voting is provided to the members through E- voting and at the Annual General Meeting of the Company. A Member can opt for only one mode of voting i.e. either through E-voting or at the Annual General Meeting of the Company.
- (vii) If a Member casts votes by both modes, then voting done through E-voting shall prevail.

The results shall be declared not later than two days from the date of Annual General Meeting (AGM) of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.amrutanjan.com](http://www.amrutanjan.com) and on the website of CDSL within forty eight hours of AGM and communicated to the Madras Stock Exchange Limited where the shares of the Company are listed.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 15th September, 2014 (9.00 a.m. IST) and ends on 17th September, 2014 (6.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th August, 2014, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:



## NOTICE TO SHAREHOLDERS (Contd.)

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. (Sequence number has been provided as Serial Number (SL NO.) in the Address Label</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding E-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## NOTICE TO SHAREHOLDERS (Contd.)

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### EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item Nos. 5, 6 & 7

Dr. H.B.N Shetty, Mr. A. Satish Kumar & Dr. Marie Shiranee Pereira are Independent Directors on the Board of the Company within the definition of Independent Directors under Clause 49 of the Listing Agreement entered with the Stock Exchange.

Pursuant to the provisions of Section 149 of the Act, which came into effect from 1st April, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. Accordingly item nos. 5, 6 & 7 are placed before the shareholders for approving the appointment of the said Independent Directors as Directors not liable for retirement by rotation for a period of three years with effect from the ensuing Annual General Meeting.

#### About the Independent Directors

Dr. H.B.N Shetty joined the Board of the Company on 31.07.2003 and is retiring at this annual general meeting. He has served as a Collector in various places and was in charge of many departments viz., Labour and Industry and retired as Education Secretary in the Government of Tamil Nadu. After his retirement, he was appointed as Vice-Chairman, State Appellate Tribunal, Land Reforms with the rank of a High Court Judge. A notice has been received from a member proposing Dr. H.B.N Shetty as a candidate for the office of Independent Director of the Company.

Mr. A. Satish Kumar joined the Board in 25.06.2009 and is retiring at this annual general meeting. He has held senior positions in SPIC, New Delhi and TPL, Chennai. He has had rich and extensive experience as the Managing Director and Chief Executive Officer in Henkel India Ltd. A notice has been received from a member proposing Mr. A. Satish Kumar as a candidate for the office of Independent Director of the Company.

Dr. Marie Shiranee Pereira joined the Board in 02.11.2011 and is retiring at this annual general meeting. She has varied and extensive research experience. A notice has been received from a member proposing Dr. Marie Shiranee Pereira as a candidate for the office of Independent Director of the Company.

#### Declaration by Independent Directors

Dr. H.B.N Shetty, Mr. A. Satish Kumar & Dr. Marie Shiranee Pereira have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) & Schedule IV to the Companies Act, 2013. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

The Board considers that the continued association of Dr. H.B.N Shetty, Mr. A. Satish Kumar & Dr. Marie Shiranee Pereira would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors of the Company.

#### Inspection by Members

The terms and conditions of appointment of aforesaid Independent Directors would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturday.

#### Memorandum of Interest

Except Dr. H.B.N Shetty, Mr. A. Satish Kumar & Dr. Marie Shiranee Pereira being the appointees, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the respective resolutions.

The Board recommends the ordinary resolutions at item nos. 5, 6 & 7 for approval by the Members.

#### Item No. 8

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 ["Act"] proposing the candidature of Dr. S. Vydeeswaran for the office of Independent Director of the Company. Dr. S. Vydeeswaran is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence, if a Company proposes to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term of five consecutive years on the Board of a Company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Dr. S. Vydeeswaran that he fulfils the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr. S. Vydeeswaran fulfils the conditions for his appointment as an independent director as specified in the Act and the Listing Agreement. Dr. S. Vydeeswaran is independent of the management.

A brief profile of Dr. S. Vydeeswaran, nature of his expertise in specific functional areas along with other particulars as stipulated under Clause 49 of the Listing Agreement with the stock Exchanges, is provided as an annexure to this Notice.

## NOTICE TO SHAREHOLDERS (Contd.)

Dr. S. Vydeeswaran is a Master of Science and a Doctorate possessing appropriate skills, excellent experience and knowledge, inter alia, in the field of synthetic organic chemistry and pharmaceutical formulations of both allopathic and ayurvedic products. He has served in Chemical, Pharmaceutical Companies in production, research and quality control under various capacities as research officer and production manager.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Dr. S. Vydeeswaran is appointed as an Independent Director.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Dr. S. Vydeeswaran is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

### Item No. 9

Mr. S. Sambhu Prasad, Managing Director of the Company since 7th August, 2005 was appointed as the Chairman & Managing Director of the Company with effect from 13th February, 2012. Pursuant to Section 203 of the Companies Act, 2013 an individual shall not be appointed or reappointed as the Chairman of the Company, as well as the Managing Director or Chief Executive Officer of the Company at the same time unless the Articles of Association (AoA) of such a Company provide otherwise or if the Company does not carry multiple business.

Hence the Board of Directors of the Company desire to alter the AoA of the Company to specifically designate Mr. S. Sambhu Prasad as the Chairman and Managing Director of the Company in Article 105A of the AOA and to obtain the approval of the Shareholders by way of special resolution at the ensuing Annual General Meeting of the Company for altering the said Article.

The Resolution at Item No. 9 of the Notice is set out as a Special Resolution for approval by the members in terms of Section 14 of the Companies Act, 2013. A copy of the Articles of Association of the Company together with the proposed alteration would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. S. Sambhu Prasad, Chairman & Managing Director is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

### Item Nos. 10 & 11

Section 180 of the Companies Act, 2013 (the Act) (corresponding to Section 293 of the Companies Act, 1956) has been notified by Ministry of Corporate Affairs (MCA) with effect from September 12, 2013. In terms of Section 180(1) (a) & (c) borrowings by a Company apart from temporary loans obtained from the Company's bankers in excess of its paid-up capital and free reserves and mortgage of assets for such borrowings require the approval of the Members by way of special resolution.

Members of the Company vide resolutions passed at the General Meeting of the Company pursuant to Section 293(1)(d) of the Companies Act, 1956, had approved the borrowings over and above the aggregate of paid up share capital and free reserves of the Company and in accordance with Section 293 (1)(a) of the Companies Act, 1956 for creating mortgages/ charges/ hypothecations on the movable and immovable properties of the Company in favour of the lending agencies/debenture trustees upto a specified limit.

The Ministry of Corporate Affairs (MCA) has vide its Circular dated March 25, 2014 clarified that a fresh approval of the Members by way of special resolution shall be sought under Section 180 of the Companies Act, 2013 from the shareholders.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) & (c) of the Companies Act, 2013, as set out at item nos. 10 & 11 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company and to mortgage the assets of the Company.

The Board recommends the Special Resolutions at item nos. 10 & 11 for approval by the Members.

### Memorandum of Interest

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item nos. 10 & 11.

### Item No 12

The Company is engaged in Ayurvedic Pharmaceutical and Beverage businesses with two pharma units and one beverage unit. It has been maintaining cost accounting records and getting them audited under the provisions of the Companies Act, 1956. Cost Auditor for this purpose was appointed with the approval of Central Government.

Section 148 of the Companies Act, 2013 has similar prescription for cost records and audit thereof. While the remuneration for the audit of cost records is determined by the Board of Directors on the recommendations of Audit Committee, it will have to be ratified by the shareholders at the following General Meeting. The approval of Central Government is no longer required under the new Law.



## NOTICE TO SHAREHOLDERS (Contd.)

Pursuant to the above, the Board of Directors have appointed Mr. G. Thangaraj (Firm Regn. No.100464) for the audit of cost records of the Company for the financial year 2014-15 pertaining to said businesses and determined the remuneration at ₹ 1,50,000/- P.A. (Rupees One lakh fifty thousand per annum) based on the recommendations of the Audit Committee. It is now placed for the approval of shareholders in accordance with Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

Copies of relevant resolution of the Audit Committee and Board are available for inspection of the members on any working day of the Company between 9.00 a.m. and 5.00 p.m. at the Registered Office of the Company.

### Memorandum of Interest

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. G. Thangaraj is concerned or interested, financial or otherwise, in the resolution set out at item no. 12.

For and On Behalf of the Board of Directors  
For AMRUTANJAN HEALTH CARE LIMITED  
S. Sambhu Prasad  
Chairman & Managing Director

Place : Chennai

Date : 22nd August, 2014

### Additional Information on Directors recommended for appointment / reappointment in the AGM as required under Clause 49 of the Equity Listing Agreement

Name of Director & DIN	Dr. Pasumarthi S.N. Murthi (DIN 00051303)
Date of Birth	11.08.1934
Date of Appointment	05.08.1989
Qualification	B.Sc, M.B.B.S, FRCS (Edin U.K) FIMSA
Expertise in Specific Functional Area	Retd. Consultant Surgeon with wide experience in the field of Medicine. He is the only Medical expert on the Board of Amrutanjan Health Care Limited and advises on any medical issues on the products of the Company
List of other Companies in which Directorships held	Nil
Chairmanship / Member of Committees of Board of Directors of other Companies	Nil
Shareholding	332195 Equity Shares of the Company
Relationship with other Directors	Not related to any other director of Amrutanjan Health Care Limited.

Name of Director & DIN	Dr. H.B.N. Shetty (DIN 00015465)
Date of Birth	11.04.1932
Date of Appointment	31.07.2003
Qualification	M.A. (Chemistry) M.L., P.h.D
Expertise in Specific Functional Area	I.A.S. Officer (Retd.)
List of other Companies in which Directorships held	Amrutanjan Pharmaessense Private Limited
Chairmanship / Member of Committees of Board of Directors of other Companies	Nil
Shareholding	406 Equity Shares of the Company
Relationship with other Directors	Not related to any other director of Amrutanjan Health Care Limited.

## NOTICE TO SHAREHOLDERS (Contd.)

Name of Director & DIN	Mr. A. Satish Kumar (DIN 00087283)
Date of Birth	18.11.1952
Date of Appointment	25.06.2009
Qualification	M.B.A.
Expertise in Specific Functional Area	Marketing & General Management
List of other Companies in which Directorships held	Royal Soft Services Limited Lakshmi Vilas Bank Limited
Chairmanship / Member of Committees of Board of Directors of other Companies	Nil
Shareholding	Nil
Relationship with other Directors	Not related to any other director of Amrutanjan Health Care Limited .

Name of Director & DIN	Dr. Marie Shiranee Pereira (DIN 05177560)
Date of Birth	07.01.1963
Date of Appointment	02.11.2011
Qualification	M.phil, Ph.D
Expertise in Specific Functional Area	Research Experience
List of other Companies in which Directorships held	Nil
Chairmanship / Member of Committees of Board of Directors of other Companies	Nil
Shareholding	Nil
Relationship with other Directors	Not related to any other director of Amrutanjan Health Care Limited.

Name of Director & DIN	Dr. S. Vydeeswaran (DIN 06953739)
Date of Birth	08.09.1946
Date of Appointment	With effect from the AGM date (22nd September ,2014) subject to approval by the shareholders
Qualification	M.Sc., Ph.D in Organic Chemistry, F.I.C.
Expertise in Specific Functional Area	Experience in the fields of Synthetic Organic Chemistry and Pharmaceutical formulations
List of other Companies in which Directorships held	Nil
Chairmanship / Member of Committees of Board of Directors of other Companies	Nil
Shareholding	Nil
Relationship with other Directors	Not related to any other director of Amrutanjan Health Care Limited.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their report on the performance of the Company for the Seventy Seventh year, along with the audited Balance Sheet as on 31st March, 2014 and the Profit and Loss Account for the year ended 31st March, 2014.

### 1. Financial Results

Your Directors are pleased to furnish below the financial results for the year ended 31st March, 2014.

Particulars	For the Current Year ended 31st March, 2014	For the Previous Year ended 31st March, 2013
Profit before Interest and Depreciation	26,07,46,685	23,41,27,654
Less: Interest	1,61,89,699	2,32,37,679
Depreciation & Amortisation	3,20,22,717	4,82,12,416
Profit before exceptional items	21,25,34,269	3,29,46,652
Exceptional items	-	5,61,84,331
Prior year adjustments (Net)	-	17,79,43,323
Profit before tax	21,25,34,269	-
Provision for taxation		-
– Income Tax	(7,15,00,000)	22,46,474
– Deferred Tax	41,97,349	(29,93,560)
– Short Provision for Income Tax of earlier years	-	14,52,31,618
Profit after tax before extraordinary items	14,52,31,618	12,11,96,237
Extraordinary Items (Net of Tax)		-
Net Profit	14,52,31,618	12,11,96,237
Add:		
Transfer from Profit & Loss Account	-	-
– Surplus from previous year brought forward	36,52,22,408	46,64,07,069
Profit for Appropriation	51,04,54,026	
Appropriations:		
General Reserve	5,00,00,000	5,00,00,000
Reserve Interim Dividend Paid	1,46,15,315	1,46,15,315
Tax on Interim Dividend	24,83,875	23,70,969
Final Dividend - Proposed	3,21,53,693	2,92,30,630
Tax on Proposed Final Dividend	54,64,520	49,67,747
Balance Profit carried to Balance Sheet	40,57,36,623	36,52,22,408
	51,04,54,026	46,64,07,069



## DIRECTORS' REPORT (Contd.)

### 2. PERFORMANCE OF YOUR COMPANY

The Total Gross Sales of the Company for the year ended 31st March, 2014 was ₹ 144.40 Crores compared to the previous year of ₹ 141.10 Crores including the sales of Beverages division. The Gross Sales of the Company's subsidiary Amrutanjan Pharmaessense Pvt Ltd. was ₹ 2.89 Crores as against the sales of ₹ 2.58 Crores during the previous year.

### 3. DIVIDEND

Your Directors, considering the profits projected for the Year 2013-14, have declared and paid an interim dividend of 50% (₹ 1/- per share) on the equity share capital of ₹ 292.31 lakhs amounting to ₹ 146.15 lakhs during the year. Further, your directors have pleasure in recommending a final dividend of 110% (₹ 2.20/- per share) for the year ended 31st March, 2014 amounting to ₹ 321.54 lakhs. The Company will bear the dividend distribution tax of ₹ 54.65 lakhs.

### 4. FIXED DEPOSITS

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

### 5. DIRECTORS

Dr. Pasumarthi S.N. Murthi will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

As regards Dr. H.B.N. Shetty, Mr. A. Satish Kumar, Dr. Marie Shiranee Pereira, Independent Directors, their respective appointments have been proposed for a fixed tenure of three years with effect from the ensuing Annual General Meeting having regard to the transitory provisions for the continuance of existing independent directors. Upon their appointment as independent directors at this meeting, they would retire only at the end of their tenure and they would not be counted for reckoning the directors to retire by rotation in terms of Section 149 of the Companies Act, 2013.

The Board of Directors seeks your support for passing of the resolutions for appointment / re-appointment of the above Directors.

### 6. 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, 2014 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.

### 7. COMPLIANCE CERTIFICATE UNDER SECTION 383A OF THE COMPANIES ACT, 1956

In accordance with the provisions of Section 383A of the Companies Act, 1956, and Companies (Certificate) Rules, 2001, the Company has obtained a certificate from M/s. P. Sriram and Associates, Practising Company Secretary, confirming that the Company has complied with all the provisions of Companies Act, 1956.

### 7. 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.

### 8. SUBSIDIARY COMPANY

The Gross Sales of the Company's subsidiary Amrutanjan Pharmaessense Pvt. Ltd. was ₹ 2.86 Crores as against the sales of ₹ 2.58 Crores during the previous year.

### 9. 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 subsidiary Amrutanjan Pharmaessense Private Limited, has been prepared and form part of the Consolidated Financial Statements.

The Annual Report and the Annual Accounts of the subsidiary and the related detailed information shall be made available to the shareholder of the Company seeking such information and shall be made available at the Registered Office of the Company.

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

The particulars prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 will form part of this report.

## DIRECTORS' REPORT (Contd.)

### 11. PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 forms part of this report. However, based upon the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts that are being circulated to Members do not include the Statement of Particulars of Employees under Section 217(2A). Any member interested in obtaining a copy may write to the Compliance Officer at the Registered Office and a copy thereof will be forwarded by post.

### 12. 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 139 & 141 of the Companies Act, 2013 and the Rules made thereunder as may be applicable, 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.

### 13. COST AUDITOR

Mr. G. Thangaraj, Cost Accountant has been duly appointed as the Cost Auditor to conduct the Cost Audit with respect to Pharmaceutical and Beverage businesses of the Company for current financial year ending 31st March, 2015. He was also the Cost Auditor for the previous year ended 31st March 2014.

### 14. 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 HDFC Bank Ltd, Yes Bank Ltd., HSBC Bank Ltd., ICICI Bank Ltd., and Punjab National Bank, the concerned departments of State and Central Governments.

S. Sambhu Prasad  
Chairman & Managing Director

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

Place : Chennai

Date : 30th May, 2014

## ANNEXURE FORMING PART OF THE REPORT OF THE DIRECTORS

### COMPLIANCE CERTIFICATE

Registration No. 18-000017

Authorised Capital: ` 5,00,00,000/-

To,  
The Members,  
M/s. AMRUTANJAN HEALTH CARE LIMITED

We have examined the registers, records, books and papers of AMRUTANJAN HEALTH CARE LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2014. In our opinion and to the best of our information and according to the examinations carried out by us and information, explanations and declarations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies at the dates specified therein.
3. The Company being a Public Limited Company the applicability of Section 3(1)(iii) does not arise.
4. The Board of Directors met 4 (Four) times on 30.05.2013, 07.08.2013, 14.11.2013, 07.02.2014 in respect of which meetings the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 06.08.2013 to 08.08.2013 (Both days inclusive) and necessary compliance of section 154 of the Act has been made.
6. The Annual general meeting of the Company for the financial year ended on 31.03.2013 was held on 08.08.2013 and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting of members was held during the year under review.
8. As per the information and declaration given by the management, the Company had not granted any loans to directors, persons, firms, or companies to which the provisions of Section 295 is applicable.
9. As per the information and explanation given by the management, during the financial year under review, the Company had not entered into any contracts to which provisions of Section 297 is applicable.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. According to the information, explanations and declaration furnished by the management, there was no instance falling within the purview of Section 314 of the Companies Act, 1956 and hence the Company was not required to obtain any approval from the Board of Directors, members, Central Government during the financial year under review.
12. The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. The Company, during the financial year under review, has:
  - (i) delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
  - (ii) deposited the amount of dividend declared including interim dividend in a separate Bank Account within five days from the date of declaration of such dividend
  - (iii) paid/posted warrants for dividends to all the members within a period of 30 days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company
  - (iv) Transferred the amounts in unpaid dividend account, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund
  - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of Director, Additional Director, Alternate Director and Director to fill casual vacancy during the financial year under review.
15. The appointment of Managing Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act and approval of the Central Government is being sought in respect of appointment of Managing Director not being in terms of Schedule XIII.



## ANNEXURE FORMING PART OF THE REPORT OF THE DIRECTORS (Contd.)

16. The Company had not appointed any sole-selling agents during the financial year under review.
17. In the opinion of the management, the Company had no transaction, which necessitated the Company to seek any approval from the Company Law Board, Regional Director, Registrar of Companies during the financial year under review except for approval sought from Central Government vide E-Form 25A for re-appointment of Managing Director.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company had not issued shares / debentures / other securities during the financial year under review.
20. The Company had not bought back any shares during the financial year under review.
21. The Company had not issued any redeemable preference Shares / debentures and hence the question of redeeming any preference shares / debentures does not arise.
22. The Company wherever necessary has kept in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. According to the information and explanation given by the management, the Company had not accepted any deposits from public & outsiders during the year under review and hence the question of complying with the provisions of Section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 does not arise.
24. The amount borrowed by the Company from banks and financial institutions during the financial year under review are within the borrowing limits of the Company and necessary resolutions as per Section 293(1)(d) of the Companies Act 1956, have been passed in the duly convened general meeting.
25. According to the information, explanations and declaration furnished by the management, the Company has not provided any corporate guarantees except provided loans and made investments, after passing necessary Board Resolutions, in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose during the year under review.
26. The Company had not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under review.
27. The Company had not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company had not altered the provisions of the Memorandum with respect to name during the year under scrutiny.
29. The Company had not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company had not altered its articles of association during the financial year under scrutiny.
31. According to the information, explanations and declaration furnished by the management, no prosecution has been initiated against the Company or no show cause notices has been received by the Company for any alleged offences under the Act and hence the question of fine or penalties does not arise.
32. The Company had not received any amount as security from its employees during the financial year, hence the applicability of the provisions of section 417(1) of the Act does not arise.
33. As per the information and explanations furnished by the management, the Company had not constituted its own provident fund pursuant to the provisions of Section 418 of the Act. However the Company had been regular in depositing both employees and employers contribution to Provident Fund with prescribed authorities.

For P.Sriram & Associates  
Practising Company Secretaries  
P. Sriram  
Proprietor  
C.P No: 3310

Place : Chennai  
Date : 30th May, 2014

## ANNEXURE FORMING PART OF THE REPORT OF THE DIRECTORS (Contd.)

### Annexure A

Statutory Registers as maintained by the Company for the financial year ending on 31st March 2014.

1. Register of Members u/s 150 of the Companies Act, 1956(Electronic mode).
2. Register of Share Application and Allotment.
3. Register of Directors u/s 303 of the Companies Act, 1956.
4. Register of Directors Shareholdings u/s 307 of the Companies Act, 1956.
5. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 299, 301 and 301(3) of the Companies Act, 1956.
6. Minutes of the Annual General Meeting / Extra Ordinary General Meeting & Board Meetings u/s 193 of the Companies Act, 1956.
7. Register of Charges u/s 143 of the Companies Act, 1956.
8. Register of Investments u/s 49 of the Companies Act, 1956.
9. Register of transfers u/s 108 of the Companies Act, 1956.(Electronic mode)
10. Register of Securities Bought Back u/s. 77A of the Companies Act, 1956.

### Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies and Central Government during the financial year ended on 31st March, 2014.

Name of the Document	Date of Event	Date of filing	Due Date
Form 5 INV	27.09.2012	24.04.2013	26.12.2012
Form 66	08.08.2013	21.08.2013	07.09.2013
Form 23ACXBRL & 23ACAXBRL	31.03.2013	07.09.2013	07.09.2013
Form IXBRL	31.03.2013	30.09.2013	30.09.2013
Form 20B	08.08.2013	07.10.2013	07.10.2013
Form 1INV(Final Dividend for the Financial Year 2005-06)	2005-2006	11.11.2013	18.09.2013
Form 5 INV	08.08.2013	06.12.2013	07.11.2013
Form 23(Re-Appointment of Managing Director)	07.02.2014	20.03.2014	09.03.2014
Form 25A	07.02.2014	20.03.2014	08.05.2014
Form 61	07.02.2014	25.03.2014	14.02.2014

## ANNEXURE FORMING PART OF THE REPORT OF THE DIRECTORS (Contd.)

INFORMATION IN ACCORDANCE WITH THE COMPANIES ACT, 1956  
(DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

### FORM A

#### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :

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

	Year ended 31.03.2014		Year ended 31.03.2013	
	OTC	BEVERAGE	OTC	BEVERAGE
<b>A) POWER AND FUEL CONSUMPTION</b>				
1. Electricity:				
a) Purchased:				
Units	6,03,511	1,98,525	4,70,348	1,67,176
Total Amount (₹)	49,11,445	12,04,608	34,06,470	10,04,987
Rate/Unit (₹)	8.14	6.07	7.40	6.01
b) Own Generation:				
(i) Through Diesel Generator:				
Units	1,25,440	44,148	1,95,188	1,34,729
Units per litre of Diesel Oil	2.54	2.83	2.65	2.98
Cost/Unit (₹)	21.98	19.17	18.50	16.09
(ii) Through Steam Generator:				
Units				
Cost/Unit (₹)				
2 For Steam Generation(Diesel Consumption)				
Diesel Consumption in litres				
Cost / litre (₹)				
Total Cost (₹)				
2. Coal:				
Qty. (Tonnes)	-	-	-	-
Total Cost	-	-	-	-
Average Cost	-	-	-	-
4. Furnace Oil:				
Qty. (K.Ltrs)	-	-	-	-
Total Cost (₹)	-	-	-	-
Average Cost (₹)	-	-	-	-
5. Others/Internal Generation:				
Quantity	-	-	-	-
Total Cost / Rate Unit	-	-	-	-
<b>(B) CONSUMPTION PER UNIT OF PRODUCTION:</b>				
Product				
Unit				
Electricity:				
OTC Products	Per Ton	8,943	-	8,903
Non carbonated Beverage	Per K.Ltrs	-	585	-
				588.33



## ANNEXURE FORMING PART OF THE REPORT OF THE DIRECTORS (Contd.)

### 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

###### a. 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 Back pain Roll-on in Lotion form
- Development of a personal care product - olive based personal care products

###### b. CONSUMER PRODUCT RESEARCH (F&B)

- Development of New fruit juices.
- Development of value added Beverages
- Development of fruit juices for kids.

##### 2. BENEFITS OF R & D

###### a. CONSUMER PRODUCT RESEARCH (OTC & F&B)

- Development of innovative and novel OTC and F&B 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.
- Supporting and providing 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 formulations.

##### 3. PLANNING FOR THE FUTURE:

###### CONSUMER PRODUCT RESEARCH (OTC)

- Launch of Back Pain Roll on
- Marketing of non rubefacient products to avoid the dependency on the pain balm category products.
- Launch of personal care products

###### CONSUMER PRODUCT RESEARCH (F&B)

- Launch of Lemon juice
- Launch of value added beverages to avoid the dependency on existing products.

##### 4. EXPENDITURE ON R & D

(` in Lakhs)

Capital	-
Recurring	10.08
Total	<u>10.08</u>

Total R&D expenditure as a percentage of total turnover is 0.07%.

##### 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

(` in Lakhs)

Total foreign exchange earnings	149.84
Total foreign exchange outgo	14.08

## Management Discussion and Analysis Report

### I. INDUSTRY STRUCTURE AND DEVELOPMENTS

#### OTC Category Overview

India's OTC category is valued at ₹ 15,176 Crores and comprises of Rubefacient, Digestives, Inhalers, Analgesics and Acne preparations. This category is part of the ₹ 2,30,013 Crores FMCG industry. The Rubefacient segment of the OTC category contributes to 16% of the category and is growing steadily due to increased consumption of allopathic balms. Your Company is a Top 5 player in the overall Rubefacient segment with a 2nd position in the Headache space.

Your Company has three offerings for the headache space: the storied Amrutanjan Pain balm (yellow) and the stronger neutral colored white balm which is also offered in a roll on format. These three products address most needs of the consumers: mild to severe in addition to offering ease of use roll on format which can be easily carried on the go. We wish to gradually expand our share of revenue from the neutral (strong) colored balms and the roll on formats.

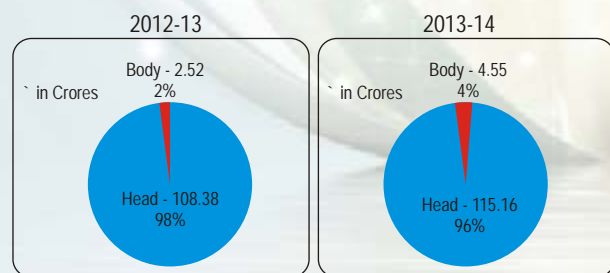
Your Company's management sees immense opportunity in the fast growing body ache space and has a line of innovative products lined up to gain share in this segment and grow.

The Brand Relief comprising of Cold Rub, Inhaler, Cough Syrup and Mint offers a range of products for Congestion, Cough and Cold treatments. Relief Inhaler has a 2nd position in the segment in terms of market share.

#### Pain Management

The Rubefacient category is increasingly being segmented broadly along head and body ache care due to consumers wanting specific products for their needs. This trend while largely evident among Metros and larger towns is also emerging in rural area. In fact while the Headache space grew by only 4-5% (Nielsen) the body ache space is growing around 30% by value and volume, led largely by Allopathic brands.

Your management sees this as an opportunity to clearly focus on a Head and Body Ache strategy with products developed for each category. Our launch of Body Pain Roll on in 2013 resulted in positive customer acceptance. The chart below shows the break up of Head and Body share of revenues, with the additional revenue growth in body coming from new launches.



#### Headache Pain Management

Your Company, as mentioned above, has a 2nd place position in terms of Market Share in the Headache Segment. In India 86% of pain balm

users still use the product for headaches. While the body ache segment is growing faster your Company still intends to focus aggressively in this segment, as it would be leveraging strengths. Keeping this in mind, we have aggressively promoted the Roll on Format, which is a clear innovation in this highly cluttered and commoditized segment (as this report was written there are 800 pain balms available in the market compared to 300 just 5 years ago!). The product has grown above category growth both in value and volume indicating strong consumer demand. Our flagship Yellow Balm which started this Company, has seen some slackness over the years due to consumers preferring neutral (non-colored) balms and plans are underway to innovate the product format so loyal users still have their needs met via modern methods.

#### For Headache



#### Body Pain segment

The Body pain segment comprises the largest share of the Rubefacient category. This transition from a headache led category to a body ache one happened in the recent past. Traditionally Ayurvedic formulations were used across segments in various dosage forms to treat ailments. But in the recent past Allopathic creams comprising of Diclofenac have been aggressively marketed by large pharma companies for the treatment of back, knee and other body pains.

#### For Body Pain



Your Company's Research and Development team has developed natural products that provide safe and quick relief and we are in the process of launching innovative formats to gain share of this fast growing segment.

#### Congestion Management

'Relief' has created a strong presence in the Cough and Cold category, where the category was dominated until now by a single brand. We launched this brand 3 years ago in two southern states and plan to expand to other states this year.

#### For Congestion



## Management Discussion and Analysis Report (contd.)

### Feminine Hygiene Category

Our Comfy line of Sanitary Napkins saw revenue growth in its 3rd year of launch. As the table illustrates, East is the top selling zone followed by



South and North. We are currently procuring this product from a contract manufacturing facility and we plan to set up our own manufacturing in the years to come as the volumes pick up. The sales in the first year of launch(2011-12) were at ` 91.1 lakhs followed by ` 20.66 lakhs last year(2012-13). The sales for the year covered by this publication was at ` 117 lakhs.

The drop was due to uneven supply from the private label supplier. The year in review was encouraging with the highest sales recorded since inception. The management sees opportunities in this category due to increasing category penetration and fitment to distribution channel (chemist is the primary point of sale).

ZONE	STATE	VOLUME PACKS	VALUE ` in Lakhs
SOUTH	AP	59,034	10.97
	KA	14,713	2.68
	KE	24,301	4.39
	TN	22,707	4.19
	SOUTH TOTAL	1,20,755	22.23
EAST	ASM	70,009	12.97
	BIH	6,278	1.19
	JHK	54,393	9.93
	ORI	1,61,322	29.06
	WB	1,39,123	24.41
	CHH	120	0.02
	EAST TOTAL	4,31,245	77.58
WEST	GJ	1,788	0.32
	MP	32,570	5.87
	MH	9,552	1.74
	WEST TOTAL	43,910	7.93
NORTH	DEL	1,086	0.2
	RJS	10,423	1.87
	UP	38,389	6.95
	NORTH TOTAL	49,898	9.02
	HO/EXP	480	0.08
	TOTAL	6,46,288	116.84

### Consumer Engagement:

Celebrating our 120th year catering to customer's pain relief, where we strongly believe customer is the king, your Company launched a Consumer Engagement Programme titled – "Small Raja Big Raja" Slogan Contest in 5 States in respective vernacular - Tamil Nadu (Chinna Raja Periya Raja Slogan Contest), Andhra Pradesh (Chinna Raja Pedha Raja Slogan Contest), Karnataka (Chikka Raja Thodda Raja Slogan Contest), Maharashtra (Chota Raja Mota Raja Slogan Contest) & Kerala (Kochu Raja Valliya Raja Slogan Contest) from November 2013 to February 2014 (3 months).

Small Raja Big Raja Slogan Contest was a fun and engaging contest inspired by two balm variants Big Raja - Amrutanjan Aromatic Pain Balm/ Amrutanjan Strong Pain Balm 9ml and Small Raja - Amrutanjan Aromatic Pain Balm 1ml/ Amrutanjan Strong Pain Balm 1ml.

To participate, all the customer were asked to collect one cap seal ring of Amrutanjan Aromatic Balm 9ml / Strong 9ml pack or 5 wrappers of Amrutanjan Aromatic Balm 1ml/Strong Pain Balm 1ml and write a slogan in 30 words describing "I like Amrutanjan because..." The best slogans were selected on a weekly basis and were rewarded with prizes.

Your Company announced 3060 prizes and among 8665 entries received, all the 3060 winners were selected and the following prizes were handedover to them which includes one Hyundai EON car, Two TVS Scooty, Two Samsung mobile phones, 25 Kitchen utilities, 321 Gold Coins, 381 Silk Sarees, 296 toys and 2032 Talk Time recharge.

### Modern Format store focus

The number of Modern Trade outlets in which Amrutanjan products are available has increased from 4250 to 4800. The turn over through modern trade has increased from ` 454 Lakhs to ` 607 Lakhs (34 % growth) in OTC segment.

Region	Sales(` in Lakhs)
South	460
West	98
North	22
East	27

Visibility drive to show case the Amrutanjan range of products have been initiated in 600 stores across all the regions through FSU(Floor Standing Unit shown below) and Parasite.

Our Parasite(shown below) won the POPAI QMA 2014 Silver award as the second best POP in the MT Health Care Segment.

### Distribution

In 2009-10 your Company launched a distribution restructuring program to reduce dependence on wholesale and increase direct coverage. This was a critical step in that this helped the Company gradually increase share of revenue of other products in addition to the main 9 ml bottles. The charts in Section II indicate the positive impact of this strategy as the sales of new product as total revenue has gone up since the inception of this program. In continuation of that, this year we have further focused on a rural and semi urban drive based on town class:



## Management Discussion and Analysis Report (contd.)



198 distributors were added in rural and semi urban markets having a population of lesser than one lakh. The additional revenue generated from these markets was ` 3 Crores during the year. The Goal is to increase direct distribution and reduce dependence on wholesale. This program was successfully executed with the share of wholesale coming down and also the share of revenue from other products going up. The number of Amrutanjan's direct distributors increased from 1600 to 1800.

### Video on Wheels:

Video On Wheels is a popular strategy used by leading FMCG companies to build awareness and distribution of their products in rural markets. As the name suggests it involves taking our brand directly to consumers living in India's hinterland where they get to experience the products as our sales people demonstrate them first hand. This is a execution driven program that creates long term value and breaks the one dimensional clutter that TV operates in.

Video On Wheels was implemented in Maharastra up country markets to begin with and in the new fiscal year we plan to expand into other states.

Number of towns covered	122
Number of customers contacted	24,450

### Exports

#### Amrutanjan Health Care- Grow Global Vision:

The initiative started during the last few years has given good results and today your organization is exporting to more than 20 countries. This has been possible mainly because of identifying the right business associates, who have the required infrastructure to market and distribute our products. The export sales of 2013-14 was ` 151 lakhs.

Distribution agreement has been signed with distributors at UAE, Qatar, Saudi Arabia and Kenya. The export to these nations will commence in the year 2014-15

### 2013-14 sales:

Market	Sales (` in Lakhs)
Africa	63
Middle East	30
South East Asia	31

### SCM (Supply Chain Management)

We wish to use this space to showcase our expenditure control and

gross margin improvement methods via smart procurement and product design:

In OTC, when compared to FY 2012 – 13, we faced challenges like high price volatility for our major material - menthol, high Forex (INR 68 Vs USD) having impact in our crude based raw materials and packing materials.

- For Menthol, we entered into short term contracts with multiple sources, instead of long term annual contract with single source. Menthol average price came down to ` 1283 per Kg from ` 1792 per Kg, (Saved ` 367 lakhs Vs Last Year)
- Up-stocking or de-stocking crude based raw materials & packing materials were decided by the price movement of Crude Oil, Resins & Forex
- Redesigning of packing materials without affecting the functionality - size reduction of 1 ml sachet film & usage of HDPE bags instead of corrugated boxes (Saved ` 16 lakhs).
- 9 ml unit carton removal – continued and we realized the savings for the full year.

In F&B, when compared to FY 2012 -13, Redesigning of primary packing materials without affecting the functionality of the product helped us to minimize the impact due to high Forex index.

- Reduction in weight from 14.9 to 12.9gms for 180 ml PET bottle. (Saved ` 14 lakhs)
- Reduction in Shrink Sleeve size for 180ml variant (Saved ` 10 lakhs)

### Beverage Industry

#### Indian Beverage Industry

Indian beverage industry is valued at ` 19,657 Crores. It comprises of bottled water, carbonates, concentrates, functional drinks (energy/sport drinks) and Juices. This category is part of the ` 2,27,166 Crores FMCG industry. The Fruit juice segment of Juice category is valued at ` 2118.98 Crores and contributes to 75% of the Juice category.



## Management Discussion and Analysis Report (contd.)

Your brand Fruitnik, with pulp content of 17 %, operates in the Fruit Drink segment which normally has a pulp content of 11-15% while brands like Real and Tropicana operate in the 100% juice segment which means no added preservatives( while the pulp content may only be marginally higher).

Our focus is to gradually expand into the 100% juice market and this is because the 100% juice market while enjoying higher margins, also requires aseptic packaging that requires large capex. Your management wishes to focus immediately on functional and fortified drinks on the upper spectrum and continue expansion of the mass Fruit Drink business it currently is in. We have truly innovative products in our pipeline in the functional space that will be entering the market place.

### Amrutanjan Pain Services Business

Your Company diversified into the Specialized Pain Service business in 2011. Since then we have treated on average 300 patients per month addressing chronic back, knee ,headachesand even migraines. This is a model of Pain Management that is common in the West. We closed last year with a revenue of ` 131 lakhs as compared to ` 99 lakhs on 2012-13. We currently operate 2 centers in Chennai. From the 3 year experience of operating this novel business we see there is a need gap in the market for a consumer that has exhausted all avenues such as internal medicine, physiotherapy but is reluctant to receive surgical cures. Amrutanjan Care positions itself in the middle offering advanced treatments beyond internal/physiotherapy but a step before surgery.

The challenge in this business is to have insurance companies start offering coverage for Pain management services so consumers can better afford treatments hereby increasing traffic and revenue.

## II. CORPORATE SOCIAL RESPONSIBILITY

Amrutanjan has strong roots in social causes as evidenced by the work done by its founder Desoddaraka Kasinadhuni Nageswara Rao Pantulu Garu

The community park named after our founder and situated adjacent to our corporate office in Chennai is a example of his generosity as this was donated by him for the use and well being of citizens and families. Till to day these values continue with the Company as it supports social causes spanning rural development and animal rights.

Your Company supports People for Animals and Arogyamaiyam , a rural clinic in Kodaikanal. The Company at present spends 1% of profit on CSR. As the Company grows it wishes to give back to society by supporting other causes.

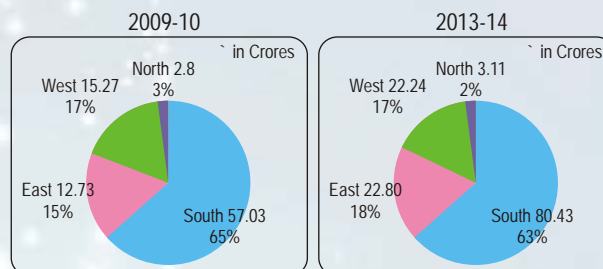
## III. OPPORTUNITIES AND THREATS

### 1. OTC

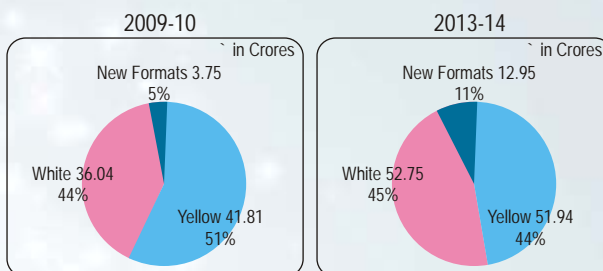
The Rubefacient category is one of a handful within what is classified as OTC in India. It is one of the largest within the OTC business and your Company holds a top 5 position among the major players. The opportunities within the pain management segment have been discussed in the previous section. Your management feels there are other areas within the OTC business that we could enter into leveraging upon the brand and distribution. But in the foreseeable future the majority of revenues and profits of the Company will continue to come from the Rubefacient (Pain) segment itself. The reason being twofold:

expansion beyond south and continued brand investments in new formats. Since 2009 our share of revenue from new formats and Non South regions has grown:

### REGIONAL SALES SKEW OVER LAST 5 YEARS



### PRODUCT WISE SALES SKEW OVER LAST 5 YEARS



In addition, your Company has pack sizes that cater to both rural and urban markets that have been a strong revenue driver in the recent past. For example last year both the 1ml (small) and the 30/60ml packs (large) have grown by volumes in the 20-30% range.

The threat to the business is share loss to allopathic brands that are increasingly seeking entry into the OTC pain management space, but your management feels the natural and Ayurvedic credentials of the storied brand Amrutanjan have a sufficient moat to protect and grow its business.

Some of the examples discussed in the previous section that involve distribution and new channel entry have to gain scale to ensure future growth.

### 2. Non Carbonated Beverages (Fruitnik)

The NCSD (non-carbonated soft drink) industry grew at a slower pace in 2013-14 compared to 2012-13. Our Brand Fruitnik consolidated and maintained its 3rd place finish in TN where we primarily operate. We have started to expand in Andhra Pradesh and Karnataka as well in terms of adding more distributors and towns. Fruitnik is a brand that was founded in 1958 in Tamil Nadu and to this day maintains a high level of taste and quality. Everyone who tastes this product ranks the brand in par with the top brands in the segment. This is a quality that serves it well going forward and as we expand into new territories.

This business is a high variable cost business due to fluctuations in prices of critical raw materials and packing materials like mango pulp, sugar and plastic.

We have to deploy efficient procurement and also scale strategies to counter this risk. By scale we mean increasing revenue at the rate



## Management Discussion and Analysis Report (contd.)

beyond cost inflation. This business would have to be scaled up to ensure returns over the long term.

Another area of focus is to introduce value added health oriented drinks (functional and fortified) which our R and D department is working on and we would be introducing in the market. This is a key area of focus for your Company.



### SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

	(` In Lakhs)	
	2013-2014	2012-2013
<b>OTC</b>		
Sales	12,330.80	11,432.61
Segment Results	2,592.88	2,084.07
Capital Employed	4,336.39	3,305.30
<b>BEVERAGES</b>		
Sales	1,420.92	1,974.91
Segment Results	(282.95)	(158.27)
Capital Employed	1,059.13	1,108.02

### IV. RISK AND CONCERNS

#### 1. OTC

The external macro environment is a general concern to all companies. The increasing trend of limited availability of certain critical raw materials is a risk over the long term. Your Company is gradually reducing the dependence on product revenue that is derived from these materials by increasing sales of new products.

#### 2. Non-Carbonated Beverages

The food industry is regulated differently than the Over the Counter health care industry due to the nature of the product (internal vs external). The product has to be made at the highest quality standard that meets the regulatory guidelines and this is an inherent risk in this business. Your Company has mitigated this risk by implementing ISO quality systems in the plant that ensure continuous quality compliance of the product and processes.

### V. OUTLOOK

The future of the organization is bright considering the fundamental strength of the balance sheet, the opportunities presented in a dynamic India and the increasing execution capability of the management team.

The word 'increasing' is apt for this organization at this point in its 120 year history. Today the Company at a ` 140 Crores revenue level can execute better than when it was at ` 65 Crore in 2005. The reason being at a higher revenue and profit level the organization can attract a certain level of talent, run larger advertising campaigns and negotiate better with its suppliers. We have set a clear growth target that is communicated to all stakeholders and now our focus is fully on achieving the target.

### VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The latest (advanced) tools and techniques are used, as far as possible, by your Company, to implement control systems. 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. 'Four eye' principle is followed in every transaction. Your Company has Policies and procedures for every transaction which are strictly followed. This further ensures that transactions are authorized, recorded and reported correctly. Risk Based Internal Audit is being done. All the issues and observations raised/made by the internal auditors are suitably addressed to, acted upon and followed up properly. ERM (Enterprise level Risk Management) is proposed to be implemented to manage risk at all the levels of business.

### 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.

	(` In Lakhs)	
	2013-2014	2012-2013
Sales from Operations	13,883.58	13,506.54
Other Income	283.71	426.64
Total Income	14,167.29	13,933.18
Total Expenditure	11,551.31	11,591.89
PBIDT	2,615.98	2,341.29
Depreciation	320.22	329.47
PBIT	2,295.76	2,011.82
Interest	170.40	232.38
PBT	2,125.36	1,779.44
Current / Earlier year Income Tax	715.00	589.94
Deferred Tax	(41.97)	(22.46)
PAT (Before Extraordinary Item)	1,452.33	1,211.96
Extraordinary Item	-	-
PAT (After Extraordinary Item)	1,452.33	1,211.96
Key Financial Ratios (expressed as %)		
PBIDT / Net Sales	18.84%	17.33%
PBIT / Sales	16.54%	14.90%
PBT / Total Income	15.00%	12.77%
PAT / Total Income	10.25%	8.70%
(before extraordinary item)		
PAT / Total Income	10.25%	8.70%
(after Extraordinary Item)		



## Management Discussion and Analysis Report (contd.)

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

Amrutanjan Health Care Limited has invested in Identifying, Developing and Engaging the employees of the Company who are the key resources. After the amalgamation of the beverage division, your Company had total employee strength of 565 as on 31st March, 2014.

This is probably the most critical asset of the Company: Human Capital. This is an asset smaller companies seem to neglect whereas the leading multinationals invest considerably in. At Amrutanjan we have recognized that people make the difference and have initiated a development program to retain, groom and grow leaders in house. We have a robust performance management program that links organization and individual performance in a transparent manner. Another telling sign of talent attraction and retention is the number of young people who have chosen to join Amrutanjan right out of B schools in turn trusting us to grow their careers. This is a continuous process and our long term goal should be to a top rated employer in the industry.

The Human Resources function had the following challenges during the year:

#### Talent Management

Sourcing right talent is the biggest challenge for any business and your Company spends a lot of time in recruiting the right resource for propelling the growth of the Company. The Company has identified required internal talent and your Company believes in elevating them into higher responsibilities.

#### Leadership Development

Developing Leadership Pipeline is one of the key initiatives taken by the Company. The Company has trained the Area Business Managers through the initiative of LEAP Program which was conducted by the leading coaching consultant M/s. Abacus Management Consultant Pvt Ltd and successfully completed the sequence of workshop for the whole year and your Company had elevated few of them as Regional Business Manager to manage certain key states.

#### Capability Enhancement of Sales force

Enhancing the capability of the sales force is one of the key corporate objectives. Last year the Company has developed a series of training program for the frontline sales force with the aim of improving the selling skills of our sales team. The Company has also launched a Mobile based order booking process through GPRS which will help the managers to get real time data instantaneously on what is happening in the field and will help them to coach the sales team for better performance.

#### Employee Engagement

Your Company has established a process of measuring the Pulse of the employees with regard to their engagement with the Company. The Company believes this as a key lead indicator which would lead to better performance and lower attrition.

#### Rewards and Recognition

The Company constantly creates new Incentive programs to motivate the sales force towards achieving their goals and rewarding them for the same. Variable one time pay has been disbursed to all employees as one of the measure to retain the talent of your Company. Long Service of employees is valued and recognized to motivate other employees to stay and build a career within the Company. Top regions and performers of the year are being rewarded with trophies and gift vouchers.

#### Relationship with Union

Amrutanjan has excellent relationship with its affiliated Union, Amrutanjan Health Care Limited Employees' Union.

The Company is poised for growth in the coming years and the Human Resources practices at AHCL is fully in tune with the business requirements of the organization.

#### 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.

Place : Chennai  
Date : 30th May, 2014

S. Sambhu Prasad  
Chairman & Managing Director

## REPORT ON CORPORATE GOVERNANCE

### I. OUR CORPORATE GOVERNANCE PHILOSOPHY

Amrutanjan's philosophy on Corporate Governance envisages the adoption of best business policies and alignment of the highest levels of transparency, integrity, honesty, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, bankers, government and employees.

The Company is committed to best corporate governance practices which stems not only from the letter of law but also from the inherent belief of doing business in the right way. The Company believes that all its actions and operations must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

### II. BOARD OF DIRECTORS

#### a. Changes during the Year

There was no change in the Board of Directors during the Financial Year 2013-2014

#### b. Composition, Category, Size of the Board

The Board of Directors of the Company is a balanced Board, comprising of a Managing Director and Non- Executive Directors which includes independent professionals. As on March 31, 2014, there were six Directors on the Board, out of which three are Independent, two are Non-Executive and one Executive Director who is the Chairman cum Managing Director.

None of the Directors of the Board is a member of more than 10 Committees or a Chairman of more than 5 Committees (as specified under clause 49) across all Companies in which he/ she is a Director. All Directors have made necessary disclosures regarding their Directorship and Committee positions occupied by them in other Companies.

The details of other Directorships, positions held either in Committees of Board of Directors as well as attendance at Board Meetings/Annual General Meeting are as follows:

Name of the Director	Category status/Designation	No of Board Meetings		No of Directorship held in other Companies#	No of Committee Membership held in other Companies ^	Attendance at the Last AGM
		Held	Attended			
Mr. S. Sambhu Prasad Chairman & Managing Director	Promoter/Executive Director	4	4	-	-	Yes
Mr. D.Seetharama Rao	Promoter/Non-Executive Director	4	4	-	-	Yes
Dr. Pasumarthi S.N.Murthi	Promoter/Non-Executive Director	4	1	-	-	No
Dr. H.B.N.Shetty	Non-Executive/Independent Director	4	4	-	-	Yes
Mr. A.Satish Kumar	Non-Executive/Independent Director	4	4	2	3	Yes
Dr. Marie Shiranee Pereira	Non-Executive/Independent Director	4	4	-	-	Yes

^ includes Membership of Audit Committees and Investor Grievance Committee as per clause 49 of the Listing Agreement

# does not include Private and Foreign Companies and Section 25 Companies.

#### c. Number and dates on which the Board meetings were held

During the Financial year 2013-14 the Board met four times. The maximum time gap between two board meetings was not more than four months. The meetings were held on the following dates:

- 30th May 2013
- 7th August 2013
- 14th November 2013
- 7th February 2014

#### d. Information supplied to the Board

Detailed agenda notes are sent to each Director well in advance before the Board and Committee meetings. The agenda items inter-alia include Secretarial & Legal Compliance matters, business matters and financial reporting. A business review presentation is made at each Board Meeting to appraise the Directors and the Senior Management team about the performance of the Company. The Board provides strategic direction and strategy in improving the performance of the Company. Business plans, annual operating and capital expenditure budgets, are also placed and reviewed by the Board along with the senior management team of the Company.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### e. Code of Conduct

The Board of directors of the Company has laid Code of Conduct for the Directors and Senior Management Personnel of the Company. The Code has been posted on the Company's website [www.amrutanjan.com](http://www.amrutanjan.com). All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as on March 31, 2014. A declaration to this effect signed by the Managing Director forms part of this report.

### f. Compliance Structure

The Board also periodically reviews status of compliance of various laws applicable to the Company and also the initiatives taken to improve the standards of compliance adherence.

## III. COMMITTEES OF THE BOARD:

### a. Audit Committee:

In Compliance of the provisions of Section 177 of the Companies Act, 2013 and in accordance with the provisions of Clause 49 of the Listing Agreement, the Company has a qualified and independent Audit Committee at the Board level. The Audit Committee performs the functions and role in accordance with Clause 49 of the Listing Agreement. The Committee acts as a link between the management, the statutory and internal auditors and the Board of Directors and oversees the financial reporting process.

#### Composition

The Audit Committee consists of the following four directors. All the members of the committee have good knowledge of finance, accounts and business management. The Composition of the Audit Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Audit Committee at present consists of following directors as its members.

- |                               |          |
|-------------------------------|----------|
| 1. Dr. H.B.N.Shetty           | - Member |
| 2. Mr. D.Seetharama Rao       | - Member |
| 3. Mr. A.Satish Kumar         | - Member |
| 4. Dr. Marie Shiranee Pereira | - Member |

Dr. H.B.N Shetty, the Chairman of the Audit Committee is an Independent Director. The Chairman of the Audit Committee was also present at the previous Annual General Meeting, as mandated under the listing agreement, to answer shareholder queries. All the members of the Audit Committee are financially literate and all of them have accounting and related financial management expertise.

### Terms of Reference

The term of reference for the Audit Committee basically flow and covers all the areas as stipulated under Clause 49 of the Listing Agreement. This inter-alia includes the following:

1. Oversight of Company's financial reporting processes.
2. Reviewing the quarterly / annual financial results, financial statements before submission to the Board for approval, with particular reference to accounting policies & procedure, major accounting policies, related party transactions.
3. Recommending to the Board, the appointment / re-appointment of Statutory Auditors and Internal Auditors and fixation of audit fees.
4. Approving internal audit plan and reviewing efficacy and adequacy of internal control systems /function.
5. Discussion with internal auditors and review of internal audit reports at quarterly intervals.
6. Discussions with external auditors about the scope of audit including the observations of the auditors.

### Meetings & Attendance

During the year, the Audit Committee met 4 times on 30th May 2013, 7th August 2013, 14th November 2013, and 7th February 2014. The details of the attendance of the Committee members are as follows:

The gap between any two meetings was not more than four months. Attendance of each member at the committee was as follows:

Name of the member	Category	No of meetings attended
Dr.H.B.N.Shetty	Non-Executive / Independent Director	4
Mr.D.Seetharama Rao	Promoter / Non-Executive Director	4
Mr.A.Satish Kumar	Non-Executive / Independent Director	4
Dr. Marie Shiranee Pereira	Non-Executive / Independent Director	4



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### b. Remuneration committee:

#### I. Constitution of Remuneration Committee

Remuneration Committee presently comprises three members as per details in the following table:

Name	Category
Dr. H.B.N. Shetty	Non- Executive / Independent Director
Mr. D. Seetharama Rao	Promoter / Non- Executive Director
Dr. Pasumarthi S.N. Murthi	Promoter / Non- Executive Director

The Chairman 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, 2013.

#### i) Remuneration to Managing Director

During the year under review, there was no change in the remuneration paid to the Managing Director. However the Meeting of the Committee was held on 7th February, 2014 to consider and recommend the re-appointment of Mr. S. Sambhu Prasad, who is a non-resident Indian, as Managing Director of the Company, on non-rotational basis, for a period of five years, commencing from 1st April, 2014 to 31st March, 2019 and who fulfils all the conditions specified under Schedule XIII to the Companies Act, 1956 except the criteria specified under clause (e) of Part I of Schedule XIII relating to appointment of Non-Resident as Managing Director subject to approval of Central Government and had approved for payment of remuneration to Mr. S. Sambhu Prasad by way of salary, allowances, commission and perquisites as specified below, subject to an overall limit not exceeding 5% of the net profits of the Company in each financial year, as contemplated under Section 198 & Part I of Schedule XIII, computed in the manner prescribed in Sections 349 and 350 of the Companies Act, 1956, for a period of five years commencing from 1st April, 2014 to 31st March, 2019.

#### ii) Remuneration to Non-Executive Directors

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 for the Financial Year 2010.

The sitting fees paid for the year ended 31st March, 2014 to the Directors are as follows:

Name of the Director	Amount (in ` )
Mr.D.Seetharama Rao	1,50,000/-
Dr.Pasumarthi S.N.Murthi	22,500/-
Dr.H.B.N.Shetty	1,50,000/-
Mr.A.Satish Kumar	90,000/-
Dr. Marie Shiranee Pereira	90,000/-

#### iii) Shareholding of Non-Executive Directors

Name of the Director	Category	No of shares held
Mr.D.Seetharama Rao	Promoter / Non-executive Director	2,40,450
Dr.Pasumarthi S.N.Murthi	Promoter / Non-executive Director	3,32,195
Dr.H.B.N.Shetty	Non-Executive / Independent Director	406
Mr.A.Satish Kumar	Non -Executive / Independent Director	-
Dr. Marie Shiranee Pereira	Non-Executive / Independent Director	-

### c. Shareholders / Investors Grievance committee

The Company has constituted a Shareholders Grievance Committee to address various matters relating to investors servicing and grievances like transfer of shares etc.

#### Composition

The Shareholders / Investors Grievance Committee consists of Dr. H.B.N. Shetty and Mr. D. Seetharama Rao, Dr. H.B.N. Shetty is the Chairman of the Committee. The committee met four times during the year under review on 30th May 2013, 7th August 2013, 14th November 2013 and 7th February 2014. Attendance of each member at the committee was as follows:

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of the member	Category	No of meetings attended
Dr.H.B.N.Shetty	Non-Executive / Independent Director	4
Mr.D.Seetharama Rao	Promoter / Non-Executive Director	4

## Terms of Reference

The terms of reference of the Investors Grievance Committee includes:

- Review of the mechanism implemented for redressal of shareholders' and investors' grievances.
- Overseeing the performance of the Registrar and Transfer Agents of the Company and recommending measures for improvement in the quality of investor services.

The total number of complaints received and resolved to the satisfaction of the shareholders during the year under review was 16. No request for transfer is pending as on 31st March, 2014, 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.Sambu Prasad. Dr. H.B.N. Shetty is the Chairman of the committee. During the year under review, the committee met 4 times on the following dates :

- 30th May, 2013
- 7th August 2013
- 14th November, 2013
- 7th February, 2014

Attendance of each member committee is as follows:

Name of the member	Category	No of meetings attended
Dr.H.B.N.Shetty	Non-Executive / Independent Director	4
Mr.D.Seetharama Rao	Promoter / Non-Executive Director	4
Dr.Pasumarthi S.N.Murthi	Promoter / Non-Executive Director	1
Mr. S. Sambhu Prasad (Chairman & Managing Director)	Promoter / Executive Director	4

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.

## Compliance Officer of the Company

Mr. S. Sriram is the Compliance Officer for the purpose of Listing Agreement.

## COMPLIANCE

A certificate from Practising Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges forms part of this Annual Report.

## IV. GENERAL BODY MEETINGS:

- Date, time, venue of the last three Annual General Meetings and details of special resolutions passed in the last three Annual General Meetings.

## DETAILS OF GENERAL MEETINGS

Year	AGM/EGM	Date	Venue	Time
2010-2011	AGM	19th September, 2011	Narada Gana Sabha (Sathguru Gnananandha Hall), No:314(Old No:254), T.T.K.Road, Chennai-18	11:00 A.M
2011-2012*	AGM	27th September, 2012	Narada Gana Sabha (Sathguru Gnananandha Hall), No:314(Old No:254), T.T.K.Road, Chennai-18	10.30 A.M.
2012-2013	AGM	8th August, 2013	Narada Gana Sabha (Sathguru Gnananandha Hall), No:314(Old No:254), T.T.K.Road, Chennai-18	10.30 A.M.

\*A Special resolution was passed pursuant to the provisions of Section 31 of the Companies Act, 1956 to alter the Authorized Share Capital of the Company pursuant to Sub-Division of Equity Shares of the Company from Rs. 10/- to Rs.2/- per Equity Share.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### V. DISCLOSURES

- a. 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. 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
  - (i) Code of Conduct: The Company has laid down procedures to be followed by the Members of the Board and Senior Management Personnel for ethical professional conduct.
  - (ii) CEO / CFO Certification: The CEO / CFO Certification of the Financial Statements and the Cash Flow Statement for the year are attached and form part of the Annual Report.

### MEANS OF COMMUNICATION

Your Company recognizes the importance of two way communication with shareholders and of giving a balanced report of results and progress and responds to questions and issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting.

#### A. Quarterly Results

The approved financial results are forthwith sent to the Stock Exchanges where the shares are listed and are displayed on the Company's website [www.amrutanjan.com](http://www.amrutanjan.com) and are generally published in Financial Express, Business Standard (English) and Makkal Kural, Maalai Sudar (Regional language), within forty eight hours of approval thereof.

#### B. News Releases, Presentations, etc.

Official news releases and presentations made to media, institutional investors, analysts, etc. are displayed on the Company's website [www.amrutanjan.com](http://www.amrutanjan.com)

#### C. Website

The Company's website [www.amrutanjan.com](http://www.amrutanjan.com) contains a separate dedicated section 'Investors' where shareholders information is available. Quarterly Results, Annual Reports, Code of Conduct and Ethics, Presentation to Investors and Shareholding Pattern are also available on the website in a user friendly and downloadable form.

#### D. Annual Report

The Annual Report containing inter-alia the Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Corporate Governance Report and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report.

#### E. Designated Exclusive Email ID:

The Company has designated the E-mail ID viz.: [investors@amrutanjan.com](mailto:investors@amrutanjan.com) exclusively for investor servicing. This E-mail ID has been displayed on the Company's website [www.amrutanjan.com](http://www.amrutanjan.com).

### VI. GENERAL SHAREHOLDER INFORMATION

AGM date, time and venue : 22nd September, 2014 10.15 A.M at Narada Gana Sabha

Financial Calendar	1st Quarter	1st April to 30th June
	2nd Quarter	1st July to 30th September
	3rd Quarter	1st October to 31st December
	4th Quarter	1st January to 31st March

Date of Book Closure : 19th September, 2014 to 22nd September, 2014 (both days inclusive)

Dividend Payment Date : After 22nd September, 2014 but within the statutory time limit of 30 days

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

Website : [www.amrutanjan.com](http://www.amrutanjan.com)



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Listing on Stock Exchanges

The Company's shares are listed on Madras Stock Exchange Limited and are permitted to be traded under Indo next 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 2013-2014 has been paid to Madras Stock Exchange Limited where the Company's equity shares are listed.

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 Dematerialized Equity shares (NSDL and CDSL) :	INE098F01023

Market Price Data:

Stock Price data: Monthly High & Low during FY 2013-2014 in SENSEX

Month	Bombay Stock Exchange Ltd (BSE) (in ` per Share)		National Stock Exchange of India Ltd (NSE) (in ` per Share)	
	Month's high	Month's Low	Month's high	Month's Low
April 2013	142.70	115.15	142.70	115.60
May 2013	150.45	127.05	150.50	127.60
June 2013	136.80	115.35	136.80	114.90
July 2013	130.00	114.00	144.00	114.40
August 2013	119.00	96.80	119.00	96.35
September 2013	127.45	97.50	127.20	97.20
October 2013	119.70	108.50	119.00	110.00
November 2013	123.50	112.05	124.00	112.50
December 2013	137.85	115.90	138.00	116.00
January 2014	139.40	118.40	139.70	118.00
February 2014	135.00	120.05	134.90	121.15
March 2014	131.35	120.35	131.95	122.35

### Registrar 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: investor@cameoindia.com

#### a. 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.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### b. (i) Distribution of Shareholding as on 31st March 2014

Shareholding	Shareholders		Share Amount	
	Numbers	% to total		% to total
2 - 5000	15877	97.4527	67,70,848	23.1635
5001 - 10000	228	1.3994	17,20,974	5.8875
10001 - 20000	96	0.5892	14,52,824	4.9702
20001 - 30000	31	0.1902	7,56,480	2.5879
30001 - 40000	14	0.0859	4,76,840	1.6313
40001 - 50000	8	0.0491	3,75,560	1.2848
50001 - 100000	22	0.1350	15,41,890	5.2749
100001 And above	16	0.0982	1,61,35,214	55.1996

### (ii) Distribution of shares by category as on 31st March 2014

Category	No of shares held	Percentage(%)
Promoters	64,29,705	43.99
General public and others	64,78,496	44.33
Body corporate	4,63,613	3.17
NRIs	1,48,895	1.02
Banks/ FI	23,358	0.16
FII	51,439	0.35
Trusts	501	0.00
Clearing Member	23,358	0.10
Mutual Funds	2,000	0.01
Directors/ Relatives	10,03,840	6.87

### c. Dematerialization 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, 2014 - 1,32,43,819 shares representing 90.62% of the total number of shares are in dematerialized form.

### d. Plant Location

OTC Divisions		Beverage 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	160/1-A, Aranvoyal Village, Tiruvallur Taluk & District Tiruvallur - 602 025.

### e. 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	For shares in Dematerialized mode
Cameo Corporate Services Limited, 'Subramaniam Building', No.1, Club House Road, Chennai 600 002 Telephone No.: (044) 28460390. Fax No.: (044) 28460129 Email: investor@cameoindia.com	To the respective Depository participant of the Beneficial owners

## REPORT ON CORPORATE GOVERNANCE (Contd.)

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### PRACTISING COMPANY SECRETARY 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, 2014 as stipulated in Clause 49 of the Listing Agreement of the 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.

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.

Place : Chennai  
Date : 30th May, 2014

For P.Sriram & Associates  
Practising Company Secretaries  
P. Sriram  
Proprietor  
C.P No: 3310





## CERTIFICATE UNDER SUB -CLAUSE V OF CLAUSE 49 OF THE LISTING AGREEMENT

We, S. Sambhu Prasad, Chairman and 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 31st March, 2014 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - (ii) these statement 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 transaction entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal control 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 or 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
  - (i) Significant changes in the internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) That there are no instances of significant fraud of which they 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.

For AMRUTANJAN HEALTH CARE LIMITED

Place : Chennai  
Date : 30th May, 2014

S. SAMBHU PRASAD  
Chairman & Managing Director

K. KANNAN  
General Manager (Finance)

### DECLARATION ON CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges(s) I hereby declare that the Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year ended 31st March, 2014.

Place : Chennai  
Date : 30th May, 2014

S. Sambhu Prasad  
Chairman & Managing Director

## Independent Auditor's Report

To the Members of Amrutanjan Health Care Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Amrutanjan Health Care Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2014 the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and 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, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2003('the Order'), as amended, issued by the Central Government of India in terms of sub section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
  - e) On the basis of written representations received from the Directors, as on 31st March 2014, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

V.Swaminathan  
Partner  
Membership No : 22276

Place: Chennai  
Date: 30.05.2014

## Annexure to the Independent Auditors' Report

The Annexure referred to in our report to the members of Amrutanjan Health Care Limited ('the Company') for the year ended 31st March, 2014. We report that:

- 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 program of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies have been noticed on such verification.
- c) The Company has not disposed off any substantial part of its 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 loans, to a company covered in the register maintained under Section 301 of the Companies Act, 1956. The amount outstanding at the year end is ₹ 16,40,83,990/- and maximum amount outstanding during the year was ₹ 18,52,69,109/-
- b) The terms and conditions of the interest free loan given by the Company, are prima facie not prejudicial to the interest of the company.
- c) There is no stipulation as to repayment of principal.
- d) Not Applicable.
- e) The company has not taken any loans, secured or unsecured from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraph (3)(e) to (g) of the order are not applicable.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to 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) (a) 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.
- (b) The transactions made in pursuance of such contracts or arrangements have been made at reasonable prices.
- 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) The Company has an internal audit system, which in our opinion, is 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	Nature of Dues	Amount	Period	Forum where dispute is pending
Central Excise Act	Excise Duty	8,89,155	2000-2001	CESTAT
Central Excise Act	Excise Duty & Penalty	37,92,018**	2011 - 2012	Commissioner (Appeals)
Income Tax Act	Income Tax	64,53,470	2007-2008	CIT (Appeals)
Income Tax Act	Income Tax	36,40,000	2009-2010	CIT (Appeals)
Service Tax	Service Tax & Penalty	1,06,79,603	08/10 to 06/11	CESTAT
Service Tax	Service Tax & Penalty	1,06,92,932	07/11 to 02/12	CESTAT
Service Tax	Service Tax & Penalty	9,89,488	06/2012	Commissioner (Appeals)

\*\*Net of amounts paid under protest.



## Annexure to the Independent Auditors' Report (Contd.)

- 10) The Company does not have any accumulated losses at the end of financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 11) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution / bank.
- 12) As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of the activities of the company does not attract any special statute applicable to the chit fund and nidhi/mutual benefit fund/societies.
- 14) The Company is not dealing in or trading in shares, securities, debentures and other investments.
- 15) The Company has given guarantee for loan taken by subsidiary company from Bank. The terms and conditions are not prejudicial to the interest of the company.
- 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 for which they were obtained.
- 17) On the basis of an overall examination of the financial statements of the Company, in our opinion, and according to the information and explanation given to us, no funds raised on short-term basis have been used for long-term investment.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money through a public issue during the year.
- 21) 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 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.  
Chartered Accountants  
Firm Registration No: 004104S

V.Swaminathan  
Partner  
Membership No : 22276

Place: Chennai  
Date: 30.05.2014

## BALANCE SHEET AS AT 31 MARCH 2014

	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	3	2,92,30,630	2,92,30,630
(b) Reserves and Surplus	4	93,99,86,859	84,94,72,644
(2) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)	5	2,05,62,251	2,47,59,600
(c) Other long term liabilities	6	42,12,861	46,13,861
(d) Long Term Provision	7	58,69,552	45,17,083
(3) Current Liabilities			
(a) Short Term Borrowings	8	5,50,00,000	12,57,54,029
(b) Trade payables	9	6,57,90,718	8,76,17,132
(c) Other current liabilities	10	6,91,59,177	8,78,21,085
(d) Short term Provisions	11	5,24,84,325	5,17,11,981
<b>TOTAL</b>		<b><u>124,22,96,373</u></b>	<b><u>126,54,98,045</u></b>
<b>ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		14,63,96,641	17,01,01,837
(ii) Intangible assets		6,63,326	24,37,482
(iii) Capital Work in progress		97,28,422	53,61,155
(iv) Intangible assets under development		-	8,88,580
(b) Non Current Investments	13	13,92,20,431	30,02,19,667
(c) Long term Loans and advances	14	18,98,95,094	18,38,16,952
(d) Other non current assets	15	2,58,03,856	2,64,13,358
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	16	6,65,67,865	6,97,22,896
(c) Trade receivables	17	23,86,66,714	27,43,42,005
(d) Cash and cash equivalents	18	34,71,13,100	14,78,43,182
(e) Short-term loans and advances	19	6,22,87,078	6,83,20,558
(f) Other Current assets	20	1,59,53,846	1,60,30,373
<b>TOTAL</b>		<b><u>124,22,96,373</u></b>	<b><u>126,54,98,045</u></b>
Significant accounting policies	2		

The accompanying notes form an integral part of Financial Statements  
As per our Report of even date

For P.S. Subramania Iyer & Co.,  
Chartered Accountants  
V. Swaminathan  
Partner  
Membership No.22276

S. Sambhu Prasad  
Chairman & Managing Director  
  
K. Kannan  
General Manager (Finance)

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

Place : Chennai  
Date : 30th May 2014

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
Revenue from operations	21	138,83,58,329	135,06,53,646
Other Income	22	2,83,71,179	4,26,64,427
Total Revenue		<u>141,67,29,508</u>	<u>139,33,18,073</u>
Expenses:			
Cost of materials consumed	23	51,23,57,995	54,80,14,169
Purchase of Stock-in-Trade		2,93,92,089	2,94,69,355
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(6,78,965)	58,02,148
Employee benefit expense	25	22,12,05,981	19,72,63,420
Financial costs	26	1,70,40,738	2,41,71,642
Depreciation and amortization expense		3,20,22,717	3,29,46,652
Other expenses	27	39,28,54,684	37,77,07,364
Total Expenses		<u>120,41,95,239</u>	<u>121,53,74,750</u>
Profit before extraordinary items and tax		21,25,34,269	17,79,43,323
Extraordinary items	28	-	-
Profit before tax		<u>21,25,34,269</u>	<u>17,79,43,323</u>
Tax expense:			
Current tax		(7,15,00,000)	(5,60,00,000)
Deferred tax		41,97,349	22,46,474
Short provision for Income Tax of earlier years		-	(29,93,560)
Profit after tax for the year		<u>14,52,31,618</u>	<u>12,11,96,237</u>
Earning per equity share:	43		
Basic and Diluted before extraordinary item		9.94	8.29
Basic and Diluted after extraordinary item		9.94	8.29
Significant accounting policies	2		

The accompanying notes form an integral part of Financial Statements  
As per our Report of even date

For P.S. Subramania Iyer & Co.,  
Chartered Accountants  
V. Swaminathan  
Partner  
Membership No.22276

S. Sambhu Prasad  
Chairman & Managing Director  
  
K. Kannan  
General Manager (Finance)

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

Place : Chennai  
Date : 30th May 2014



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	Year ended March 31, 2014	Year ended March 31, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	21,25,34,269	17,79,43,323
Adjustments for:		
Depreciation & Amortisation	3,20,22,717	3,29,46,652
Interest received	(68,77,698)	(88,89,808)
Income from Investments	(1,85,86,712)	(1,66,96,608)
Amortisation of Premium on Investments	12,92,537	15,13,290
Dividend received	(27,68,163)	(31,05,420)
Rent receipts	(6,13,200)	(6,14,200)
Profit on sale of Fixed Assets	-	(14,98,258)
Net (gain) /loss on sale of Investments	90,60,811	(15,53,954)
Interest paid	1,61,89,699	2,32,37,679
Loss on sale of fixed assets	3,03,982	-
Operating Profit before Working Capital Changes	24,25,58,242	20,32,82,696
Adjustments for:		
Trade & other receivables	4,32,13,699	(13,30,12,735)
Inventories	31,55,031	2,33,83,794
Trade payables	(3,93,30,447)	4,46,39,806
Cash generated from operations	24,95,96,525	13,82,93,561
Direct Taxes Paid	(7,35,63,859)	(5,52,88,981)
Net Cash from operating activities	17,60,32,666	8,30,04,580
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,13,65,005)	(1,25,05,648)
Sale / Transfer of fixed assets	36,69,047	39,00,000
(Purchase) / Sale of investments (net)	14,79,39,189	3,74,84,478
Loan / advances from / (to) subsidiary company	(60,78,142)	2,68,85,653
Fixed deposit with banks withdrawn/(placed) (under lien)	(2,32,589)	2,50,51,500
Interest received	2,41,14,902	2,09,47,572
Dividend received	27,68,163	31,05,420
Rent received	6,13,200	6,14,200
Net Cash (used in) / generated from Investing Activities	16,14,28,765	10,54,83,175

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	Year ended March 31, 2014	Year ended March 31, 2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Long Term Loan	-	(6,11,17,250)
Increase / (Decrease) in Short Term Loans	(7,13,74,029)	(3,04,30,762)
Dividend paid (including interim Dividend & Dividend Tax)	(5,12,97,567)	(5,09,58,854)
Interest paid	(1,62,83,115)	(2,45,58,500)
Net Cash (used in) / generated from financing Activities	<u>(13,89,54,711)</u>	<u>(16,70,65,366)</u>
Net Increase / (Decrease) in cash & cash equivalents	<u>19,85,06,720</u>	<u>2,14,22,389</u>
Cash and cash equivalents opening balance	9,05,48,223	6,91,25,834
Cash and cash equivalents closing balance	28,90,54,943	9,05,48,223

## Notes :

## 1. Cash and Cash equivalent comprise of:

	As at 31st March, 2014	As at 31st March, 2013
Cash in hand	3,94,694	5,35,294
Cheques in hand	6,59,75,686	4,93,57,768
Balances with banks : in Current Accounts	1,26,84,563	70,12,480
in Deposit Accounts	<u>21,00,00,000</u>	<u>3,36,42,681</u>
	28,90,54,943	9,05,48,223
Add : Deposits (under lien)	5,00,48,477	4,98,15,888
Dividend Accounts	<u>80,09,680</u>	<u>74,79,071</u>
Cash and Cash equivalents (As per Note 18)	<u>34,71,13,100</u>	<u>14,78,43,182</u>

2. Cash flow statement has been prepared under the indirect method as setout in Accounting Standard - 3 notified under the Companies (Accounting Standard) Rules 2006.

3. Purchase of fixed assets includes movements of capital work-in-progress during the year.

4. Previous year's figures have been re-grouped/reclassified wherever applicable.

As per our Report of even date

For P.S. Subramania Iyer & Co.,  
Chartered Accountants  
V. Swaminathan  
Partner  
Membership No.22276

S. Sambhu Prasad  
Chairman & Managing Director  
  
K. Kannan  
General Manager (Finance)

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

Place : Chennai

Date : 30th May 2014

## NOTES TO FINANCIAL STATEMENTS

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### 1. BACKGROUND

Amrutanjan Health Care Limited was established in the year 1893 and specializing in Ayurvedic balm for headaches, cold / cough and beverage under the brand name of 'Fruitnik'. The Company is a public limited company and is listed on the Madras Stock Exchange.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1. Basis for preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

#### 2.2. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimate is recognized prospectively – Current and future periods.

#### 2.3. Revenue recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

Sale of goods: Sales are recognized when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognized net of excise duty.

Sale of Services: Income from services are recognized as and when the services are rendered.

Other Income: Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Insurance claims and scrap sales proceeds are accounted on cash basis.

#### 2.4. Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets.

Depreciation is provided on written down value method except on plant and machinery acquired after April 1, 1992, which is provided on straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956. Additions made during the year are depreciated pro-rata from the date of addition. Freehold / Leasehold lands are not depreciated. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

#### 2.5. Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a written down value method at the rates prescribed under schedule XIV of the Companies Act, 1956. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the



## NOTES TO FINANCIAL STATEMENTS - (contd.)

asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

### 2.6. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

### 2.7. Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

### 2.8. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Investment property: Investment in buildings that are not intended to be occupied substantially for use by, or in the operations of, the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation.

### 2.9. Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.10. Lease Assets

As a lessee:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability at the implicit rate of return. Finance charges are charged to the Statement of Profit and Loss.

## NOTES TO FINANCIAL STATEMENTS - (contd.)

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Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss.

As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

### 2.11. Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange difference arising on foreign exchange transactions during the year and on restatement of monetary assets and liability are recognized in the Statement of Profit and Loss of the year.

### 2.12. Retirement and other employee benefits

#### a. Provident fund:

Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions.

#### b. Gratuity:

The Company provides for gratuity, a defined benefit retirement Plan (the "Gratuity Plan") covering eligible employees. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company provides the gratuity benefit through annual contribution to a fund managed by the Life Insurance Corporation (LIC). Under this scheme the settlement obligation remains with the Company although the LIC administers the scheme and determines the contribution premium required to be paid by the Company. Gratuity, which is a defined benefit scheme, is accrued based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

#### c. Compensated absence:

Provision for compensated absence is made by the Company based on an actuarial valuation as at the balance sheet date of the unavailed leave standing to the credit of employees in accordance with the service rules of the Company.

### 2.13. Accounting for Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognized deferred tax assets, if any.

## NOTES TO FINANCIAL STATEMENTS - (contd.)

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 2.14. Provisions and Contingent Liabilities

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. If the outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized in the financial statements.

### 2.15. Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".

### 2.16. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid.

### 2.17. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



## NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	As at March 31, 2014	As at March 31, 2013
3 Share Capital		
a Authorised Share Capital: 2,50,00,000 (2,50,00,000) Equity Shares of ₹ 2/- (₹ 2/-) each	5,00,00,000	5,00,00,000
b Issued, Subscribed and Fully Paid up Share Capital 1,46,15,315 (1,46,15,315) Equity Shares of ₹ 2/- (₹ 2/-) each	2,92,30,630	2,92,30,630
c Reconciliation of Shares Number of Equity at the beginning of year	1,46,15,315	1,46,15,315
Add : Issued during the Year	-	-
Less: Buy Back	-	-
Number of Equity at the end of the year	1,46,15,315	1,46,15,315

d Number of Shares held by share holders more than 5% of total Shares

Name of the Share holder	As on 31st March 2014		As on 31st March 2013	
	No. of Shares	% held	No. of Shares	% held
Mr. Sambhu Prasad S	24,07,490	16.47%	24,07,490	16.47%
Mrs. Leela Bhramara	12,42,425	8.50%	12,42,425	8.50%
Miss. Ramayamma S	11,14,905	7.63%	11,14,905	7.63%
Mrs. Nageswaramma P	9,27,580	6.35%	9,27,580	6.35%

e Equity share bought back (during 5 years preceding March 31, 2014) :

Period ended	No. of Shares	Face Value Per Share	Face Value of Shares Bought back
March 31, 2014	-	-	-
March 31, 2013	-	-	-
March 31, 2012	1,06,937	10	10,69,370
March 31, 2011	-	-	-
March 31, 2010	71,660	10	7,16,600

Terms / Rights / restrictions attached to shares :

The company has only one type of equity shares. Every shareholder is entitled to one vote per share.

## NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2014	March 31, 2013
4 Reserves and Surplus		
a) Capital redemption reserve	27,69,370	27,69,370
b) General Reserve		
Opening balance	48,14,80,866	43,14,80,866
Add : Transferred from Surplus in Statement of Profit & Loss	5,00,00,000	5,00,00,000
Closing balance	<u>53,14,80,866</u>	<u>48,14,80,866</u>
c) Contingency reserve	-	-
d) Surplus in Statement of Profit & Loss		
Opening balance	36,52,22,408	34,52,10,832
Add : Current year surplus	14,52,31,618	12,11,96,237
Less : Transfer to general reserve	(5,00,00,000)	(5,00,00,000)
Less : Transfer to contingency reserve	-	-
Less : Interim Dividend - Paid [ ` 1/- per share (previous year ` 1/- per share)]	(1,46,15,315)	(1,46,15,315)
Less : Tax on Interim Dividend	(24,83,875)	(23,70,969)
Less: Final Dividend - Proposed [ ` 2.20/- per share (previous year ` 2/- per share)]	(3,21,53,693)	(2,92,30,630)
Less: Tax on Final Dividend - Proposed	(54,64,520)	(49,67,747)
Closing Balance	<u>40,57,36,623</u>	<u>36,52,22,408</u>
TOTAL	<u>93,99,86,859</u>	<u>84,94,72,644</u>
5 Deferred tax liabilities (Net)		
	March 31, 2014	March 31, 2013
Deferred tax liability arising from timing differences in respect of fixed assets	2,09,91,167	2,54,99,083
Deferred tax asset arising from timing differences in respect of expenses /provisions	<u>(4,28,916)</u>	<u>(7,39,483)</u>
Net Deferred Tax Liability	<u>2,05,62,251</u>	<u>2,47,59,600</u>
6 Other long term liabilities		
	March 31, 2014	March 31, 2013
Rent Deposits	3,79,600	1,59,600
Caution deposits from customers	<u>38,33,261</u>	<u>44,54,261</u>
	<u>42,12,861</u>	<u>46,13,861</u>
7 Long-term Provisions		
	March 31, 2014	March 31, 2013
Provision for employee benefits		
Provision for gratuity	30,73,865	-
Provision for compensated absences	<u>27,95,687</u>	<u>45,17,083</u>
	<u>58,69,552</u>	<u>45,17,083</u>

## NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2014	March 31, 2013
8 Short term borrowings		
Secured Loan :		
Working Capital Demand Loan - Banks*	5,50,00,000	11,00,00,000
Cash Credit from Banks	-	1,21,07,778
Vehicle Loan	-	36,46,251
	<u>5,50,00,000</u>	<u>12,57,54,029</u>
* secured by hypothecation of specific plant and machinery, inventories, book debts and lien on specific fixed deposits.		
9 Trade Payables	March 31, 2014	March 31, 2013
Due to Micro Small and Medium Enterprises	92,18,483	64,47,730
Due to Others	<u>5,65,72,235</u>	<u>8,11,69,402</u>
	<u>6,57,90,718</u>	<u>8,76,17,132</u>
The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under :		
Principal amount due and remaining unpaid	63,28,903	44,22,930
Interest due on above and the unpaid interest	28,89,580	20,24,800
Interest paid	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	8,64,780	8,27,336
Amount of further interest remaining due and payable in succeeding years	-	-
10 Other current liabilities	March 31, 2014	March 31, 2013
Current maturities of long term debt	-	6,20,000
Interest accrued but not due on borrowings	2,92,642	3,86,058
Other payables		
- Creditors for capital goods	5,00,040	5,76,663
- Creditors for expenses	4,54,85,556	5,79,38,959
- Other liabilities	1,22,72,646	1,89,86,557
Due to directors	25,98,613	18,33,777
Unclaimed dividend	<u>80,09,680</u>	<u>74,79,071</u>
	<u>6,91,59,177</u>	<u>8,78,21,085</u>



## NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2014	March 31, 2013
11 Short Term Provisions		
Provision for employee benefits	-	-
Provision for gratuity	-	-
Provision for compensated absences	6,48,266	12,31,899
	<u>6,48,266</u>	<u>12,31,899</u>
Other Provisions		
Provisions for income tax (net of advance tax)	1,42,17,846	1,62,81,705
Provisions for dividend	3,21,53,693	2,92,30,630
Provision for dividend tax	54,64,520	49,67,747
	<u>5,18,36,059</u>	<u>5,04,80,082</u>
	<u>5,24,84,325</u>	<u>5,17,11,981</u>

## NOTES TO FINANCIAL STATEMENTS - (contd.)

### 12 Fixed Assets

(In `)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 1 April 2013	Addition	Deletion	As on 1 April 2013	Addition	Deletion	As on 31 March 2014	As on 31 March 2013
<b>I. Tangible Assets</b>								
a) Own assets								
Land	47,13,726	-	-	-	-	-	47,13,726	47,13,726
Building	6,36,58,601	-	-	2,45,90,892	33,97,565	-	3,56,70,144	3,90,67,709
Plant And Machinery	18,42,95,460	40,94,262	-	7,48,84,963	2,03,60,978	-	9,31,43,781	10,94,10,497
Furniture, Fittings & Lab Equipments	2,42,41,270	9,75,424	4,32,761	1,61,42,039	12,63,173	3,44,681	77,23,402	80,99,231
Vehicles	1,53,73,046	15,00,715	46,24,589	88,63,486	9,36,988	7,39,639	31,88,337	65,09,560
Computers	1,98,64,892	6,64,383	-	1,77,98,846	9,96,493	-	17,33,936	20,66,046
	31,21,46,995	72,34,784	50,57,350	14,22,80,226	2,69,55,197	10,84,320	14,61,73,326	16,98,66,769
b) Leasehold assets								
Building	4,50,000	-	-	2,14,932	11,753	-	2,23,315	2,35,068
Total Tangible Assets (a + b)	31,25,96,995	72,34,784	50,57,350	14,24,95,158	2,69,66,950	10,84,320	14,63,96,641	17,01,01,837
<b>II. Intangible Assets</b>								
Goodwill	25,000	-	-	-	-	-	25,000	25,000
Non-Compete Fees	50,00,000	-	-	33,33,334	16,66,666	-	-	16,66,666
Computer software	36,28,185	2,64,046	-	28,82,369	3,71,536	-	6,38,326	7,45,816
Total Intangible Assets	86,53,185	2,64,046	-	62,15,703	20,38,202	-	6,63,326	24,37,482
Grand Total (I + II)	32,12,50,180	74,98,830	50,57,350	14,87,10,861	2,90,05,152	10,84,320	14,70,59,967	17,25,39,319
As per Last Balance Sheet	30,95,38,174	1,36,51,206	19,39,200	11,93,45,459	2,96,46,308	2,80,906	17,25,39,319	19,01,92,715
Capital Work-In-Progress							97,28,422	53,61,155
Intangible Assets under development							-	8,88,580

## NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	Face Value	March 31, 2014	March 31, 2013
13 Non Current Investments			
Investment Property ( at Cost less accumulated depreciation)			
Cost of Land & Building given on operating Lease		6,31,09,036	6,27,98,171
Less: Accumulated Depreciation		(1,46,03,020)	(1,15,85,456)
Net Block		<u>4,85,06,016</u>	<u>5,12,12,715</u>
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 ` 1,000/- each fully paid	5,000	5,000	5,000
60,800 Equity Shares of ` 1/- each in Madras Stock Exchange Ltd.	60,800	1,60,000	1,60,000
Non-Trade Investments (Quoted) :			
1950 Equity Shares in Marg Securities of ` 10/- each Fully paid	19,500	65,325	65,325
1,006 Equity Shares in NTPC Ltd of ` 10/- each fully paid	10,060	62,372	62,372
38 Equity Shares in Punjab National Bank of ` 10/- each fully paid	380	14,820	14,820
450 Equity Shares in Periakaramalai Tea & Produce Co. Ltd of ` 10/- each fully paid	4,500	54,000	54,000
7 Equity Shares in Dewan Housing Finance Ltd of ` 10/- each fully paid	70	2,244	2,244
2,070 (6.85%) Tax Free Bonds of Indian Infrastructure Finance Company Limited of ` 1,00,000/- each (redeemed during the year)	20,70,00,000	-	20,81,87,052
50,000 (8.23%) Tax Free Bonds of Indian Railway Finance Corporation Limited of ` 1,000/- each (purchased during the year)	5,00,00,000	5,00,00,000	-
2,100 (Zero Coupon) Bonds of NABARD of ` 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 ` 1,000/- each	1,68,00,000	1,73,75,154	1,74,80,639
Investments in Subsidiary (Unquoted) :			
50,000 Equity Shares in Amrutanjan Pharmaessense Private Limited of ` 10/- each fully paid, out of which 4 fully paid-up equity shares are held in the name of nominees	5,00,000	5,00,000	5,00,000
Total		<u>13,92,20,431</u>	<u>30,02,19,667</u>
Quoted Investments - Cost		9,00,43,915	24,83,36,452
- Market Value		9,00,59,586	24,65,39,230
Unquoted Investments - Cost		6,70,500	6,70,500



## NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2014	March 31, 2013
14 Long Term Loans and advances		
Capital Advance	2,58,11,104	2,58,11,104
Loans & Advances to Subsidiary		
Considered Good	16,40,83,990	15,80,05,848
	<u>18,98,95,094</u>	<u>18,38,16,952</u>
15 Other Non Current assets		
	March 31, 2014	March 31, 2013
Balance with excise authorities, paid under protest	24,61,202	9,79,945
Bottles & Crates	1,65,45,134	1,83,83,482
Security deposits	67,97,520	70,49,931
	<u>2,58,03,856</u>	<u>2,64,13,358</u>
16 Inventories		
	March 31, 2014	March 31, 2013
Raw Materials	1,70,18,849	1,94,41,183
Work In Progress	-	-
Finished Stock	3,80,77,036	3,72,48,627
Packing Materials	1,14,71,980	1,30,33,086
	<u>6,65,67,865</u>	<u>6,97,22,896</u>
17 Trade Receivables		
	March 31, 2014	March 31, 2013
<i>Unsecured, Considered good</i>		
Outstanding for a period exceeding 6 months	5,76,25,413	2,99,34,407
Others	18,10,41,301	24,44,07,598
	<u>23,86,66,714</u>	<u>27,43,42,005</u>
<i>Unsecured, Considered Doubtful</i>		
Outstanding for a period exceeding 6 months	1,49,78,811	1,49,78,811
Less : Provision for Doubtful Debts	(1,49,78,811)	(1,49,78,811)
	<u>23,86,66,714</u>	<u>27,43,42,005</u>

## NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2014	March 31, 2013
18 Cash & Cash equivalents		
Cash in Hand	3,94,694	5,35,294
Cheques in Hand	6,59,75,686	4,93,57,768
Balance with Banks		
Current Accounts	1,26,84,563	70,12,480
Fixed Deposits with maturity of less than 3 months	6,00,00,000	-
Other Bank Balances :		
Fixed Deposits with maturity of less than 12 months	15,00,00,000	-
Fixed Deposits with maturity of more than 12 months	-	3,36,42,681
Fixed Deposits under lien @	5,00,48,477	4,98,15,888
Unclaimed Dividend Accounts	80,09,680	74,79,071
	<u>34,71,13,100</u>	<u>14,78,43,182</u>
@ Marked as lien against credit facilities availed		
19 Short-term loans and advances	March 31, 2014	March 31, 2013
Unsecured and considered good		
Deposits and Balances with excise authorities	1,11,12,991	1,64,25,879
Sundry Deposits ( refer note 32)	1,35,46,697	1,21,20,662
Other advances	3,76,27,390	3,97,74,017
	<u>6,22,87,078</u>	<u>6,83,20,558</u>
20 Other current assets	March 31, 2014	March 31, 2013
Interest accrued on Investments / Deposits	1,59,53,846	1,60,30,373
	<u>1,59,53,846</u>	<u>1,60,30,373</u>

## NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
21 Revenue from operations		
Sale of Products		
Export Sales	1,49,84,108	3,40,66,954
Domestic Sales	142,90,53,045	137,69,47,613
	144,40,37,153	141,10,14,567
Less: Excise Duty paid	(6,88,64,169)	(7,02,63,108)
	137,51,72,984	134,07,51,459
Other operating revenues	1,31,85,345	99,02,187
	138,83,58,329	135,06,53,646
22 Other Income		
	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest Income	68,77,698	71,71,845
Dividend Income	27,68,163	31,05,420
Net gain / (loss) on sale of investment	(90,60,811)	15,53,954
Rent Receipt (refer note : 42)	6,13,200	6,14,200
Income from investments	1,85,86,712	1,84,14,571
Profit on sale of assets	-	14,98,258
Scrap sales	31,87,098	30,76,659
Bad Debts Recovered	18,33,382	13,21,751
Exchange Difference - (Net)	9,64,401	1,45,795
Other Income	26,01,336	57,61,974
	2,83,71,179	4,26,64,427
23 Cost of Materials consumed		
	Year Ended March 31, 2014	Year Ended March 31, 2013
Opening Stock of Raw Materials & Packing Materials	3,24,74,269	4,99,19,421
Purchases of Raw Materials & Packing Materials	50,83,74,555	53,05,69,017
	54,08,48,824	58,04,88,438
Less: Closing Stock of Raw Materials & Packing Materials	2,84,90,829	3,24,74,269
Consumption of Raw & Packing Materials	51,23,57,995	54,80,14,169



## NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
24 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
Opening Stock		
Finished Goods	3,72,48,627	4,31,87,269
Process Stock	-	-
	<u>3,72,48,627</u>	<u>4,31,87,269</u>
Closing stock		
Finished Goods	3,80,77,036	3,72,48,627
Process Stock	-	-
	<u>3,80,77,036</u>	<u>3,72,48,627</u>
(Increase) / Decrease in Stock	(8,28,409)	59,38,642
Excise Duty on Increase / (Decrease) on Finished Goods	1,49,444	(1,36,494)
	<u>(6,78,965)</u>	<u>58,02,148</u>
25 Employee benefit expenses		
	Year Ended March 31, 2014	Year Ended March 31, 2013
Salaries & Wages	18,40,01,531	17,01,30,163
Contribution to Provident & Other Funds	2,32,74,054	1,61,70,991
Staff Welfare expenses	1,39,30,396	1,09,62,266
	<u>22,12,05,981</u>	<u>19,72,63,420</u>
26 Financial Costs		
	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest Expenses	1,61,89,699	2,32,37,679
Bank charges	8,51,039	9,33,963
	<u>1,70,40,738</u>	<u>2,41,71,642</u>

## NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
27 Other Expenses		
Power & Fuel	1,47,44,844	1,60,08,781
Repairs & Maintenance :		
Building	7,74,536	11,33,560
Machinery	44,99,382	50,06,245
Others	37,06,735	33,50,755
Consumables	69,42,588	40,50,605
Freight and Transport Charges	3,15,98,860	2,92,56,698
Advertisement	11,19,57,528	10,75,63,431
Selling Expenses	5,31,79,931	5,98,66,933
Commission on Sales	14,61,491	11,35,576
Sales Tax	7,37,68,987	6,92,33,565
Rates and Taxes	41,00,681	51,61,378
Insurance	24,16,825	12,29,778
Travelling Expenses	3,70,35,000	2,75,72,370
Conveyance	48,99,812	36,10,494
Retainer & Consultancy	44,54,774	62,06,387
Security Charges	46,45,278	45,44,214
Rent (refer note : 42)	51,76,294	42,75,916
Printing & Stationery	24,88,943	24,63,628
Postage & Telegrams	14,00,432	13,92,676
Communication Expenses	86,03,250	98,12,313
Legal Expenses	3,50,304	3,82,928
Research & Development Expenses	10,08,404	13,32,834
Donations	12,00,000	12,00,000
Auditor's Remuneration :		
Audit Fees	10,12,000	9,20,000
Tax Representation	1,12,360	-
Other services (including limited review fees)	4,61,238	3,65,169
Out of Pocket expenses	43,227	25,753
Cost Audit Fees	2,00,000	1,00,000
Directors Sitting Fees	5,02,500	5,47,500
Commission to Non-Executive Directors	18,00,000	15,00,000
Lease Rent	14,09,377	4,10,000
Loss on fixed assets sold / discarded	3,03,982	-
EDP Expenses	11,82,368	17,72,264
Advances written off	-	10,64,257
Miscellaneous Expenses	54,12,753	52,11,356
	<u>39,28,54,684</u>	<u>37,77,07,364</u>

## NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
28. Extraordinary Item		
Investments / Advances of Subsidiary company written off	-	1,46,84,032
Less: Provisions made in earlier years	-	(1,46,84,032)
	-	-
29. Monies for which the company is contingently liable :		
a. Bonds executed in favour of Collector of Central Excise, Chennai – ` 8,00,000/- ( ` 8,00,000)		
b. Guarantees/Letter of Credit issued on behalf of Company by Banks – ` 2,27,73,781/- ( ` 2,07,39,605/-) and Corporate guarantee given to banks for credit facilities availed by subsidiary company – ` 2,50,00,000/- ( ` 2,50,00,000/-)		
c. Appeals filed in respect of disputed demands :	2013-14	2012-13
Excise Duty	61,62,430	36,73,095
E S I	3,96,545	3,96,545
Service Tax	2,31,22,929	2,13,72,535
Income Tax	1,21,36,664	1,00,93,470
Includes ` 42,85,357/- paid under protest.		
d. Lease Rent in respect of lease hold land has been revised by the Government of Tamil Nadu with retrospective effect from November 2001 and the arrears on this account up to 31st March 2014 is ` 6,31,95,319/-. The company has contested the said revision before the Madras High Court in a writ petition. The company has made provision of ` 7,58,800/- towards the above.		
f. Claims against the company not acknowledged as debts : ` 1,88,31,161/- ( ` 1,88,31,161/-)		
30. Estimated amount of capital expenditure commitments ` 5,00,00,000/- ( ` 3,00,00,000)		
31. a. The Company has transferred ` 3,52,691/- ( ` 1,51,901/-) of unclaimed dividend to Investor Education and Protection Fund during the year.		
b. Unclaimed Dividend amounting to ` 27,034/- ( ` 19,677/-) is pending on account on litigation among claimants.		
32. Sundry Deposits represent Fixed Deposit with Dewan Housing Finance Corporation Limited renewed during the year.		
33. CIF Value of Imports	2013-14	2012-13
a. Raw & Other Materials	1,36,06,997	1,30,20,828
b. Capital Goods	4,44,996	-
Total	1,40,51,993	1,30,20,828
34. Expenditure in foreign currency	2013-14	2012-13
a. Travelling Expenses	3,64,403	3,61,983
b. Others	10,43,186	22,50,939
Total	14,07,589	26,12,922

## NOTES TO FINANCIAL STATEMENTS - (contd.)

35. Earnings in foreign currency	2013-14	2012-13
Export Sales (F.O.B Value)	1,49,84,108	3,40,66,954
36. Clause 32 Disclosure		
a) Loans and Advances in the nature of loans given to subsidiary		
Name of Company	Balance as on 31-03-2014	Maximum balance during the year
Amrutanjan Pharmaessense Private Limited	16,40,83,990	18,52,69,109
Notes : Loans and Advances in the nature of loans shown above are without any repayment schedule and no interest charged, being a wholly owned subsidiary company		
b) Investment by the loanees in the shares of the company - Nil		

### 37. Turnover & Stock

Class of Goods	Opening Stock	Purchases	Sales	Closing Stock
Amrutanjan Pain Balm	1,57,28,841	-	118,30,31,862	2,07,67,432
Inhaler & Others	54,44,491	-	5,79,54,065	1,11,96,660
Agency Products	1,38,52,783	2,93,92,089	5,81,56,111	41,54,745
Beverages	22,22,512	-	14,48,95,115	19,58,199
	3,72,48,627	2,93,92,089	144,40,37,153	3,80,77,036

### 38. Details of Consumption and Purchases

#### Details of Raw Materials Consumed

	2013-14 Value	2012-13 Value
KARPOOR POWDER	1,08,07,346	1,11,96,438
PUDINAKAPHOOL	9,19,34,890	13,10,81,745
NILGIRI KATEL	2,91,54,974	2,83,05,648
CHAHAKATEL	95,08,829	1,01,07,266
PUDINAKATEL	39,07,797	58,92,297
GANJNI KATEL	39,57,469	41,57,365
HARD PARAFFIN (N)	1,39,38,704	1,42,43,297
SOFT PARAFFIN	1,82,15,052	1,76,77,125
GANDHAPURATEL	1,24,73,615	1,16,25,282
MICROWAX	55,58,629	54,46,264
SANITARY PADS	92,47,600	11,71,200
MANGO PULP	1,06,97,861	1,50,36,213
SUGAR	1,41,54,957	2,00,09,885
APPLE CONCENTRATE	23,95,205	57,88,312
OTHERS	2,80,38,940	1,91,90,209
TOTAL	26,39,91,868	30,09,28,546



## NOTES TO FINANCIAL STATEMENTS - (contd.)

## 39. Segment Reporting

(In ₹)

Primary Business Segments	OTC Products		Beverages		Others		Net Total	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
(a) Revenue :								
External Sales	123,30,80,899	114,32,60,706	14,20,92,085	19,74,90,753	1,31,85,345	99,02,187	138,83,58,329	135,06,53,646
Inter Segment Sales	-	-	-	-	-	-	-	-
Total Revenue	123,30,80,899	114,32,60,706	14,20,92,085	19,74,90,753	1,31,85,345	99,02,187	138,83,58,329	135,06,53,646
(b) Result								
Less : Unallocated expenditure net of unallocated income	25,92,87,912	20,84,06,755	(2,82,94,991)	(1,58,27,202)	(1,23,34,818)	(1,17,39,188)	21,86,58,103	18,08,40,355
Operating Profit							(91,05,897)	(99,05,153)
Interest expense							20,95,52,206	17,09,35,212
Interest Income and Income from Investments							(1,61,89,699)	(2,32,37,679)
Profit before Tax							1,91,71,762	3,02,45,790
Provision for taxation :							21,25,34,269	17,79,43,323
- Income Tax							(7,15,00,000)	(5,60,00,000)
- Deferred Tax							41,97,349	22,46,474
- Short Provision of I.T of earlier years							-	(29,93,560)
Profit after Tax							14,52,31,618	12,11,96,237
(c) Segment Assets	61,95,96,804	62,64,66,663	13,85,98,847	15,11,80,159	44,85,197	38,14,604	76,26,80,848	78,14,61,426
Unallocated Assets							47,96,15,525	48,40,36,619
Total Assets	61,95,96,804	62,64,66,663	13,85,98,847	15,11,80,159	44,85,197	38,14,604	124,22,96,373	126,54,98,045
(d) Segment Liabilities	18,59,58,064	29,59,36,688	3,26,86,148	4,03,78,001	-	-	21,86,44,212	33,63,14,689
Unallocated Liabilities							5,44,34,672	5,04,80,082
Total Liabilities	18,59,58,064	29,59,36,688	3,26,86,148	4,03,78,001	-	-	27,30,78,884	38,67,94,771
(e) Capital expenditure	46,22,062	1,03,46,177	10,45,436	28,39,088	18,31,332	4,65,941	74,98,830	1,36,51,206
Unallocated expenditure							3,10,865	2,78,481
(f) Depreciation	2,31,41,394	2,40,06,874	47,03,019	47,19,827	11,60,739	9,19,607	2,90,05,152	2,96,46,308
Unallocated Depreciation							30,17,565	33,00,344
(g) Significant non-cash items	-	-	-	-	-	-	-	-

The Company has disclosed business segment as the primary segment and is organised in to three main business segments namely OTC products, Beverages and others.

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 TO FINANCIAL STATEMENTS - (contd.)

### 40. Related Party Disclosures

(i) List of related parties and relationships :

a) Parties where control exists – subsidiary

Amrutanjan Pharmaessense Private Limited

b) Key Management Personnel :

Sri S. Sambhu Prasad, Chairman & Managing Director

c) Relative to Key Management Personnel :

Mrs. Rajeswari .S – Mother

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

Nature of Transaction	2013-14	2012-13
Loans / Advances (granted)/recovered	(60,78,142)	2,68,85,653
Rent Received	6,00,000	6,00,000
Purchase of Fixed Assets	48,488	–
Outstanding as on 31st Mar 2014		
Loans / Advances Receivable (refer note 41)	16,40,83,990	15,80,05,848
Investments	5,00,000	5,00,000
(iii) Transactions with related parties mentioned in (b) above :		
Remuneration	1,11,90,306	88,72,267
Dividend Paid	72,22,470	39,47,720
Amount payable as on 31st Mar 2014	7,98,613	3,33,777
(iv) Transactions with related parties mentioned in (c) above :		
Dividend Paid	-	32,74,750

41. The amount due from Amrutanjan Pharmaessense Private Limited, a wholly owned subsidiary company includes ₹ 15,38,66,291/- representing the net value of relevant assets and liabilities transferred on 16th May 2011. In the opinion of the management, the said amount will be realized over a period of time taking into account the business opportunities of the said company.

42. The Company's significant leasing arrangements are in respect of operates leases for premises. These leasing arrangements are not non-cancellable and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent in the profit and loss account. (refer note .27)

The company has also given certain land and building on operating lease. The rental income on such lease is included in rental receipt (refer note. 22)

## NOTES TO FINANCIAL STATEMENTS - (contd.)

	2013-14	2012-13
43. Earnings Per Share		
(a) Numerator-Profit as per P & L a/c before extraordinary item (in `)	14,52,31,618	12,11,96,237
(b) Numerator-Profit as per P & L a/c after extraordinary item (in `)	14,52,31,618	12,11,96,237
(c) Denominator- Weighted average number of Equity shares outstanding	1,46,15,315	1,46,15,315
(d) Earnings per share ( Basic and Diluted ) before extraordinary item (in `)	9.94	8.29
(e) Earnings per share ( Basic and Diluted ) after extraordinary item (in `)	9.94	8.29
(f) Nominal value of shares (in `)	2.00	2.00
	2013-14	2012-13
44. Employee Benefits		
a) Defined Benefit Plans - As per Actuarial valuation on March 31, 2014		
Gratuity		
A Expense recognised in the statement of Profit & Loss Account for the year ended March 31, 2014		
1 Current service cost	21,66,649	21,14,407
2 Interest Cost	11,91,923	13,37,867
3 Past Service Cost	-	-
4 Expected return on plan assets	(12,44,960)	(13,44,089)
5 Net actuarial (gain) / loss recognised during the year	(43,12,385)	(29,46,223)
6 Total Expense	64,25,997	(8,38,038)
B Actual return on plan assets		
1 Expected return on plan assets	12,44,960	13,44,089
2 Actuarial gain / (loss) on plan assets	(1,75,640)	(13,44,089)
3 Actual return on plan assets	10,69,320	-
C Net Asset/ Liability recognised in the Balance Sheet		
1 Present value of obligation	1,93,03,807	1,41,87,649
2 Fair value of plan assets	1,62,29,942	1,59,56,837
3 Funded status [surplus/(deficit)]	(30,73,865)	17,69,188
4 Net Assets / (Liability) recognised in the Balance Sheet	(30,73,865)	17,69,188
D Change in Present value of the Obligation during the year ended March 31 2014		
1 Present value of obligation as at April 1, 2013	1,41,87,649	1,84,20,999
2 Current service cost	21,66,649	21,14,407
3 Interest Cost	11,91,923	13,37,867
4 Past Service Cost	-	-
5 Benefits paid	(23,79,159)	(33,95,312)
6 Actuarial (gain) / loss on obligation	41,36,745	(42,90,312)
7 Present value of obligation as at March 31, 2014	1,93,03,807	1,41,87,649

## NOTES TO FINANCIAL STATEMENTS - (contd.)

	2013-14	2012-13
E Change in Assets during the year ended March 31, 2014		
1 Fair Value of plan assets as at April 1, 2013	1,59,56,837	1,76,42,205
2 Expected return on plan assets	12,44,960	13,44,089
3 Adjustment to opening balance	10,69,320	3,193
4 Contributions made	15,82,944	17,06,750
5 Benefits paid	(23,79,159)	(33,95,312)
6 Actuarial gain / (loss) on plan assets	(1,75,640)	(13,44,089)
7 Fair Value of plan assets as at March 31, 2014	1,62,29,942	1,59,56,837
F Major categories of plan assets as a percentage of total plan - 100% Qualifying Insurance Policy		
G Actuarial Assumptions		
1 Discount rate	9.17%	8.00%
2 Expected rate of return on plan assets	8.00%	8.00%
3 Salary Escalation	6.00%	5.00%

- 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 31.3.2014 is ₹ 34,43,953 ( ₹ 57,48,982)

### 45. Previous Year Figures

Previous year 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  
V. Swaminathan  
Partner  
Membership No.22276

S. Sambhu Prasad  
Chairman & Managing Director

K. Kannan  
General Manager (Finance)

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

Place : Chennai

Date : 30th May 2014



STATEMENT PURSUANT TO GENERAL EXEMPTION GRANTED BY  
THE MINISTRY OF CORPORATE AFFAIRS U/S 212(8) OF THE COMPANIES ACT, 1956

(` in lakhs)

Sl.No.	PARTICULARS	AMRUTANJAN PHARMAESSENSE PRIVATE LIMITED March 31, 2014
1	Capital	5.00
2	Reserves	(768.28)
3	Total Assets	1,249.81
4	Total Liabilities	1,249.81
5	Details of Investments	-
6	Turnover	305.70
7	Profit before Taxation	(187.30)
8	Provision for Taxation	(20.64)
9	Profit after Taxation	(207.94)
10	Proposed Dividend	-

S. Sambhu Prasad  
Chairman & Managing Director

K. Kannan  
General Manager (Finance)

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

Place : Chennai  
Date : 30th May 2014

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

Name of the Subsidiary Company	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 in the account 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 in the account 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 (`)	For the previous Financial years since it became the Holding Company's Subsidiary (`)	For the previous Financial years since it became the Holding Company's Subsidiary (`)
AMRUTANJAN PHARMAESSENCE PRIVATE LIMITED	31.03.2014	50,000 Equity Shares of ` 10/- each	100.00	(2,07,94,101)	(5,60,34,232)	(2,07,94,101)
					(5,60,34,232)	

Place : Chennai  
Date : 30th May 2014

S. Sambhu Prasad  
Chairman & Managing Director

K. Kannan  
General Manager (Finance)

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

## Independent Auditors' Report on Consolidated Financial Statements

To the Board of Directors of Amrutanjan Health Care Limited

We have audited the accompanying consolidated financial statements of Amrutanjan Health Care Limited ('the Company') and its subsidiaries, which comprise the consolidated Balance Sheet as at 31st March, 2014, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of consolidated Balance Sheet, of the state of the affairs of the Company as at 31 March, 2014;
- (ii) In the case of consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) In the case of the consolidated Cash Flow Statements, of the cash flows for the year ended on that date.

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

V.Swaminathan  
Partner  
Membership No : 22276

Place: Chennai  
Date: 30.05.2014

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2014

	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	3	2,92,30,630	2,92,30,630
(b) Reserves and Surplus	4	86,31,58,526	79,34,38,412
(2) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)	5	2,77,59,472	2,98,92,650
(c) Other long term liabilities	6	42,12,861	46,13,861
(d) Long Term Provision	7	58,69,552	45,17,083
(3) Current Liabilities			
(a) Short Term Borrowings	8	8,00,00,000	15,05,63,704
(b) Trade payables	9	6,87,33,786	8,81,37,558
(c) Other current liabilities	10	7,12,43,842	8,94,70,007
(d) Short term Provisions	11	5,24,84,325	5,17,11,981
<b>TOTAL</b>		<b>120,26,92,994</b>	<b>124,15,75,886</b>
<b>ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		26,65,17,029	29,66,74,136
(ii) Intangible assets		10,88,284	30,67,736
(iii) Capital Work in progress		97,28,422	53,61,155
(iv) Intangible assets under development		-	8,88,580
(b) Non Current Investments	13	9,12,64,609	24,95,95,187
(c) Long term Loans and advances	14	2,58,11,104	2,58,11,104
(d) Other non current assets	15	2,58,03,856	2,64,13,358
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	16	8,72,29,498	10,24,08,779
(c) Trade receivables	17	24,97,11,238	28,25,45,502
(d) Cash and cash equivalents	18	35,20,94,612	14,90,62,820
(e) Short-term loans and advances	19	7,74,90,496	8,37,17,156
(f) Other Current assets	20	1,59,53,846	1,60,30,373
<b>TOTAL</b>		<b>120,26,92,994</b>	<b>124,15,75,886</b>
Significant accounting policies	2		

The accompanying notes form an integral part of Financial Statements  
As per our Report of even date

For P.S. Subramania Iyer & Co.,  
Chartered Accountants  
V. Swaminathan  
Partner  
Membership No.22276

S. Sambhu Prasad  
Chairman & Managing Director  
  
K. Kannan  
General Manager (Finance)

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

Place : Chennai

Date : 30th May 2014



## STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

	Note No.	31st March, 2014	31st March, 2013
Revenue from operations	21	141,72,81,835	137,64,65,207
Other Income	22	2,94,19,531	4,27,05,744
Total Revenue		<u>144,67,01,366</u>	<u>141,91,70,951</u>
EXPENSES:			
Cost of materials consumed	23	53,06,60,911	55,98,96,474
Product Purchase / Processing Charges		3,07,36,655	3,18,37,112
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	86,51,643	97,94,780
Employee benefit expense	25	22,82,44,692	21,02,86,306
Financial costs	26	1,76,61,873	2,47,89,785
Depreciation and amortization expense		3,60,06,284	3,72,68,557
Other expenses	27	40,09,34,969	39,05,55,756
Total Expenses		<u>125,28,97,027</u>	<u>126,44,28,770</u>
Profit before extraordinary items and tax		19,38,04,339	15,47,42,181
Extraordinary items	28	-	-
Profit before tax		19,38,04,339	15,47,42,181
Tax expense:			
Current tax		(7,15,00,000)	(5,60,00,000)
Deferred tax		21,33,178	54,19,100
Short provision for Income Tax of earlier years		-	(29,93,560)
Profit/(Loss) for the period		12,44,37,517	10,11,67,721
Earning per equity share:	37		
Basic and Diluted before extraordinary item		8.51	6.92
Basic and Diluted after extraordinary item		8.51	6.92
Significant accounting policies	2		

The accompanying notes form an integral part of Financial Statements  
As per our Report of even date

For P.S. Subramania Iyer & Co.,  
Chartered Accountants  
V. Swaminathan  
Partner  
Membership No.22276

S. Sambhu Prasad  
Chairman & Managing Director  
  
K. Kannan  
General Manager (Finance)

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

Place : Chennai

Date : 30th May 2014

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	Year ended March 31, 2014	Year ended March 31, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	19,38,04,339	15,47,42,181
Adjustments for:		
Depreciation & Amortisation	3,60,06,284	3,72,68,557
Interest received	(69,12,900)	(89,84,267)
Income from Investments	(1,85,86,712)	(1,66,96,608)
Amortisation of Premium on Investments	12,92,537	15,13,290
Dividend received	(27,68,163)	(31,05,420)
Rent receipts	(13,200)	(14,200)
Profit on sale of Fixed Assets	-	(14,98,258)
Net (gain) /loss on sale of Investments	90,60,811	(15,53,954)
Interest paid	1,67,26,509	2,36,14,863
Loss on sale of fixed assets	3,03,982	-
Operating Profit before Working Capital Changes	22,89,13,487	18,52,86,184
Adjustments for:		
Trade & other receivables	4,05,65,852	(9,22,02,290)
Inventories	1,51,79,281	2,91,96,590
Trade payables	(3,66,11,959)	1,92,06,161
Cash generated from operations	24,80,46,661	14,14,86,645
Direct Taxes Paid	(7,35,63,859)	(5,52,88,981)
Net Cash from operating activities	17,44,82,802	8,61,97,664
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,13,60,023)	(1,33,16,428)
Sale / Transfer of fixed assets	36,69,047	39,00,000
(Purchase) / Sale of investments (net)	14,79,39,189	3,74,84,478
Fixed deposit with banks withdrawn/(placed) (under lien)	(22,67,589)	2,50,79,500
Interest received	2,41,50,104	2,10,42,031
Dividend received	27,68,163	31,05,420
Rent received	13,200	14,200
Net Cash (used in) / generated from Investing Activities	16,49,12,091	7,73,09,201

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	Year ended March 31, 2014	Year ended March 31, 2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Loan	-	(6,11,17,250)
Increase / (Decrease) in Short Term Loans	(7,11,83,704)	(56,21,087)
Dividend paid (including interim Dividend & Dividend Tax)	(5,12,97,567)	(5,09,58,854)
Interest paid	(1,66,80,028)	(2,49,35,684)
Net Cash (used in) / generated from financing Activities	(13,91,61,299)	(14,26,32,875)
Net Increase / (Decrease) in cash & cash equivalents	20,02,33,594	2,08,73,990
Cash and cash equivalents opening balance	9,14,97,861	7,06,23,871
Cash and cash equivalents closing balance	29,17,31,455	9,14,97,861

### Notes :

#### 1. Cash and Cash equivalent comprise of:

	As at 31st March, 2014	As at 31st March, 2013
Cash in hand	4,00,156	5,48,901
Cheques in hand	6,59,75,686	4,93,57,768
Balances with banks : in Current Accounts	1,53,55,613	79,48,511
in Deposit Accounts	21,00,00,000	3,36,42,681
	29,17,31,455	9,14,97,861
Add : Deposits (under lien)	5,23,53,477	5,00,85,888
Dividend Accounts	80,09,680	74,79,071
Cash and Cash equivalents (As per Note 18)	35,20,94,612	14,90,62,820

- Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 notified under the Companies (Accounting Standard) rules 2006.
- Purchase of fixed assets includes movements of capital work-in-progress during the year.
- Previous year's figures have been re-grouped/reclassified wherever applicable.

As per our Report of even date

For P.S. Subramania Iyer & Co.,  
Chartered Accountants  
V. Swaminathan  
Partner  
Membership No.22276

S. Sambhu Prasad  
Chairman & Managing Director

K. Kannan  
General Manager (Finance)

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

Place : Chennai

Date : 30th May 2014

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 1. BACKGROUND

Amrutanjan Health Care Limited was established in the year 1893 and specializing in Ayurvedic balm for headaches, cold / cough and beverage under the brand name of 'Fruitnik'. The Company is a public limited company and is listed on the Madras Stock Exchange.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1. Basis for preparation

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 recognized 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 amortized but instead evaluated for impairment.

#### 2.2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimate is recognized prospectively – Current and future periods.

#### 2.3. Revenue recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

**Sale of goods:** Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of excise duties.

**Sale of Services:** Income from services are recognised as and when the services are rendered.

**Other Income:** Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Insurance claims and scrap sales proceeds are accounted on cash basis.

#### 2.4. Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets.

Depreciation is provided on written down value method except on plant and machinery acquired after April 1, 1992, which is provided on straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956. Additions made during the year are depreciated pro-rata from the date of addition. Good Will / Freehold / Leasehold lands are not depreciated. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

### 2.5. Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a written down value method at the rates prescribed under schedule XIV of the Companies Act, 1956. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. Non-compete fees amortised over the period of agreement. The goodwill arising on consolidation is not amortised but instead evaluated for impairment.

### 2.6. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

### 2.7. Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

### 2.8. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Investment property: Investment in buildings that are not intended to be occupied substantially for use by, or in the operations of, the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation.

### 2.9. Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

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### 2.10. Lease Assets

#### As a lessee:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability at the implicit rate of return. Finance charges are charged to the Statement of Profit and Loss.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss.

#### As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

### 2.11. Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange difference arising on foreign exchange transactions during the year and on restatement of monetary assets and liability are recognized in the Statement of Profit and Loss of the year.

### 2.12. Retirement and other employee benefits

#### a. Provident fund:

Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions.

#### b. Gratuity:

The Company provides for gratuity, a defined benefit retirement Plan (the "Gratuity Plan") covering eligible employees. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company provides the gratuity benefit through annual contribution to a fund managed by the Life Insurance Corporation (LIC). Under this scheme the settlement obligation remains with the Company although the LIC administers the scheme and determines the contribution premium required to be paid by the Company. Gratuity, which is a defined benefit scheme, is accrued based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

#### c. Compensated absence:

Provision for compensated absence is made by the Company based on an actuarial valuation as at the balance sheet date of the unavailed leave standing to the credit of employees in accordance with the service rules of the Company.

### 2.13. Accounting for Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 2.14. Provisions and Contingent Liabilities

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. If the outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized in the financial statements.

### 2.15. Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".

### 2.16. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid.

### 2.17. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	As at March 31, 2014	As at March 31, 2013
3 Share Capital		
a Authorised Share Capital: 2,50,00,000 (2,50,00,000) Equity Shares of ₹ 2/- (₹ 2/-) each	5,00,00,000	5,00,00,000
b Issued, Subscribed and Fully Paid up Share Capital 1,46,15,315 (1,46,15,315) Equity Shares of ₹ 2/- (₹ 2/-) each	2,92,30,630	2,92,30,630
c Reconciliation of Shares Number of Equity at the beginning of year	1,46,15,315	1,46,15,315
Add : Issued during the Year	-	-
Less: Buy Back	-	-
Number of Equity at the end of the year	1,46,15,315	1,46,15,315

d Number of Shares held by share holders more than 5% of total Shares

Name of the Share holder	As on 31st March 2014		As on 31st March 2013	
	No. of Shares	% held	No. of Shares	% held
Mr. Sambhu Prasad S	24,07,490	16.47%	24,07,490	16.47%
Mrs. Leela Bhramara	12,42,425	8.50%	12,42,425	8.50%
Miss. Ramayamma S	11,14,905	7.63%	11,14,905	7.63%
Mrs. Nageswaramma P	9,27,580	6.35%	9,27,580	6.35%

e Equity share bought back (during 5 years preceding March 31, 2014) :

Period ended	No. of Shares	Face Value Per Share	Face Value of Shares Bought back
March 31, 2014	-	-	-
March 31, 2013	-	-	-
March 31, 2012	1,06,937	10	10,69,370
March 31, 2011	-	-	-
March 31, 2010	71,660	10	7,16,600

Terms / Rights / restrictions attached to shares :

The company has only one type of equity shares. Every shareholder is entitled to one vote per share.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2014	March 31, 2013
4 Reserves and Surplus		
a) Capital redemption reserve	27,69,370	27,69,370
b) General Reserve		
Opening balance	48,14,80,866	43,14,80,866
Add : Transferred from Surplus in Statement of Profit & Loss	5,00,00,000	5,00,00,000
Closing balance	53,14,80,866	48,14,80,866
c) Contingency reserve	-	-
d) Surplus in Statement of Profit & Loss		
Opening balance	30,91,88,176	30,92,05,116
Add : Current year surplus	12,44,37,517	10,11,67,721
Less : Transfer to general reserve	(5,00,00,000)	(5,00,00,000)
Less : Transfer to contingency reserve	-	-
Less : Interim Dividend - Paid [ ` 1/- per share (previous year ` 1/ per share)]	(1,46,15,315)	(1,46,15,315)
Less : Tax on Interim Dividend	(24,83,875)	(23,70,969)
Less: Final Dividend - Proposed [ ` 2.20/- per share (previous year ` 2/- per share)]	(3,21,53,693)	(2,92,30,630)
Less: Tax on Final Dividend - Proposed	(54,64,520)	(49,67,747)
Closing Balance	32,89,08,290	30,91,88,176
TOTAL	86,31,58,526	79,34,38,412
5 Deferred tax liability		
	March 31, 2014	March 31, 2013
Deferred tax liability arising from timing differences in respect of fixed assets	2,82,64,719	3,06,32,133
Deferred tax liability arising from timing differences in respect of expenses /provisions	(5,05,247)	(7,39,483)
Net Deferred Tax Liability	2,77,59,472	2,98,92,650
6 Other long term liabilities		
	March 31, 2014	March 31, 2013
Rent Deposits	3,79,600	1,59,600
Caution deposits from customers	38,33,261	44,54,261
	42,12,861	46,13,861
7 Long-term Provisions		
	March 31, 2014	March 31, 2013
Provision for employee benefits		
Provision for gratuity	30,73,865	-
Provision for compensated absences	27,95,687	45,17,083
	58,69,552	45,17,083

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2014	March 31, 2013
8 Short term borrowings		
a) Secured Loan :		
Working Capital Demand Loan - Bank *	8,00,00,000	11,00,00,000
Cash Credit from Banks	-	3,69,17,453
Vehicle Loan	-	36,46,251
	<u>8,00,00,000</u>	<u>15,05,63,704</u>
* secured by hypothecation of specific plant and machinery, inventories, book debts and lien on specific fixed deposits.		
9 Trade Payables		
	March 31, 2014	March 31, 2013
Due to Micro Small and Medium Enterprises	92,18,483	64,47,730
Due to Others	<u>5,95,15,303</u>	<u>8,16,89,828</u>
	<u>6,87,33,786</u>	<u>8,81,37,558</u>
The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under :		
Principal amount due and remaining unpaid	63,28,903	44,22,930
Interest due on above and the unpaid interest	28,89,580	20,24,800
Interest paid	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	8,64,780	8,27,336
Amount of further interest remaining due and payable in succeeding years	-	-
10 Other current liabilities		
	March 31, 2014	March 31, 2013
Current maturities of long term debt.	-	6,20,000
Interest accrued but not due on borrowings	4,32,539	3,86,058
Other payables		
- Creditors for capital goods	5,00,040	5,76,663
- Creditors for expenses	4,69,89,186	5,91,36,028
- Other liabilities	1,22,72,646	1,94,38,410
Due to directors	30,39,751	18,33,777
Unclaimed dividend	<u>80,09,680</u>	<u>74,79,071</u>
	<u>7,12,43,842</u>	<u>8,94,70,007</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2014	March 31, 2013
11 Short Term Provisions		
Provision for employee benefits	-	-
Provision for gratuity	-	-
Provision for compensated absences	6,48,266	12,31,899
	<u>6,48,266</u>	<u>12,31,899</u>
Other Provisions		
Provisions for income tax (net of advance tax)	1,42,17,846	1,62,81,705
Provisions for dividend	3,21,53,693	2,92,30,630
Provision for dividend tax	54,64,520	49,67,747
	<u>5,18,36,059</u>	<u>5,04,80,082</u>
	<u>5,24,84,325</u>	<u>5,17,11,981</u>



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

## 12 Fixed Assets

(In `)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 1 April 2013	Addition	Deletion	As on 1 April 2013	Addition	Deletion	As on 31 March 2014	As on 31 March 2013
I. Tangible Assets								
a) Own assets								
Land	1,57,00,689	-	-	-	-	-	1,57,00,689	1,57,00,689
Building	11,36,71,066	3,10,865	-	3,54,65,840	63,77,088	-	7,21,39,003	7,82,05,226
Plant And Machinery	26,50,86,127	41,35,459	52,629	8,19,01,262	2,37,94,202	6,450	16,34,79,943	18,31,84,865
Furniture, Fittings & Lab Equipments	2,72,24,866	9,75,424	4,32,761	1,65,53,101	15,21,149	3,44,681	1,00,37,960	1,06,71,765
Vehicles	1,53,73,046	15,00,715	46,24,589	88,63,486	9,36,988	7,39,639	31,88,337	65,09,560
Computers	2,04,20,837	6,64,383	-	1,82,53,874	10,83,564	-	17,47,782	21,66,963
	45,74,76,631	75,86,846	51,09,979	16,10,37,563	3,37,12,991	10,90,770	26,62,93,714	29,64,39,068
b) Leasehold assets								
Building	4,50,000	-	-	2,14,932	11,753	-	2,23,315	2,35,068
Total Tangible Assets (a + b)	45,79,26,631	75,86,846	51,09,979	16,12,52,495	3,37,24,744	10,90,770	26,65,17,029	29,66,74,136
II. Intangible Assets								
Goodwill	25,000	-	-	-	-	-	25,000	25,000
Non-Compete Fees	50,00,000	-	-	33,33,334	16,66,666	-	-	16,66,666
Computer software	44,38,965	2,64,046	-	30,62,895	5,76,832	-	10,63,284	13,76,070
Total Intangible Assets	94,63,965	2,64,046	-	63,96,229	22,43,498	-	10,88,284	30,67,736
Grand Total (I + II)	46,73,90,596	78,50,892	51,09,979	16,76,48,724	3,59,68,242	10,90,770	26,76,05,313	29,97,41,872
As per Last Balance Sheet	45,72,80,929	1,47,40,467	46,30,800	13,07,33,759	3,71,95,871	2,80,906	29,97,41,872	32,65,47,170
Capital Work-In-Progress							97,28,422	53,61,155
Intangible Assets under development							-	8,88,580



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	Face Value	March 31, 2014	March 31, 2013
13 Non Current Investments			
Investment Property ( at Cost less accumulated depreciation)			
Cost of Land & Building given on operating Lease		17,98,742	17,98,742
Less: Accumulated Depreciation		(7,48,548)	(7,10,507)
Net Block		10,50,194	10,88,235
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 ` 1,000/- each fully paid	5,000	5,000	5,000
60,800 Equity Shares of ` 1/- each in Madras Stock Exchange Ltd.	60,800	1,60,000	1,60,000
Non-Trade Investments (Quoted) :			
1,950 Equity Shares in Marg Securities of ` 10/- each Fully paid	19,500	65,325	65,325
1,006 Equity Shares in NTPC Ltd of ` 10/- each fully paid	10,060	62,372	62,372
38 Equity Shares in Punjab National Bank of ` 10/- each fully paid	380	14,820	14,820
450 Equity Shares in Periakaramalai Tea & Produce Co. Ltd of ` 10/- each fully paid	4,500	54,000	54,000
7 Equity Shares in Dewan Housing Finance Ltd of ` .10/- each fully paid	70	2,244	2,244
2,070 (6.85%) Tax Free Bonds of Indian Infrastructure Finance Company Limited of ` 1,00,000/- each (redeemed during the year)	20,70,00,000	–	20,81,87,052
50,000 (8.23%) Tax Free Bonds of Indian Railway Finance Corporation Limited of ` 1,000/- each (purchased during the year)	5,00,00,000	5,00,00,000	–
2,100 (Zero Coupon) Bonds of NABARD of ` 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 ` 1,000/- each	1,68,00,000	1,73,75,154	1,74,80,639
Total		9,12,64,609	24,95,95,187
Quoted Investments - Cost		9,00,43,915	24,83,36,452
- Market Value		9,00,59,586	24,65,39,230
Unquoted Investments - Cost		1,70,500	1,70,500

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2014	March 31, 2013
14 Long Term Loans and advances		
Capital Advance	2,58,11,104	2,58,11,104
	<u>2,58,11,104</u>	<u>2,58,11,104</u>
15 Other Non Current assets		
	March 31, 2014	March 31, 2013
Balance with excise authorities, paid under protest	24,61,202	9,79,945
Bottles & Crates	1,65,45,134	1,83,83,482
Security deposits	67,97,520	70,49,931
	<u>2,58,03,856</u>	<u>2,64,13,358</u>
16 Inventories		
	March 31, 2014	March 31, 2013
Raw Materials	2,68,49,726	4,04,18,704
Work In Progress	21,84,020	78,55,644
Finished Stock	4,67,23,772	4,95,54,347
Packing Materials	1,14,71,980	45,80,084
	<u>8,72,29,498</u>	<u>10,24,08,779</u>
17 Trade Receivables		
	March 31, 2014	March 31, 2013
<i>Unsecured, Considered good</i>		
Outstanding for a period exceeding 6 months	6,80,04,359	3,75,64,868
Others	18,17,06,879	24,49,80,634
	<u>24,97,11,238</u>	<u>28,25,45,502</u>
<i>Unsecured, Considered Doubtful</i>		
Outstanding for a period exceeding 6 months	3,04,79,696	3,09,24,937
Less : Provision for Doubtful Debts	(3,04,79,696)	(3,09,24,937)
	<u>24,97,11,238</u>	<u>28,25,45,502</u>
18 Cash & Cash equivalents		
	March 31, 2014	March 31, 2013
Cash in Hand	4,00,156	5,48,901
Cheques in Hand	6,59,75,686	4,93,57,768
Balance with Banks		
Current Accounts	1,53,55,613	79,48,511
Fixed Deposits maturing within 3 months	6,00,00,000	2,70,000
Other Bank Balances		
Fixed Deposits with maturity of less than 12 months	15,00,00,000	-
Fixed Deposits with maturity of more than 12 months	-	3,36,42,681
Fixed Deposits under lien @	5,23,53,477	4,98,15,888
Unclaimed Dividend Accounts	80,09,680	74,79,071
	<u>35,20,94,612</u>	<u>14,90,62,820</u>

@ marked as lien against credit facilities availed

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2014	March 31, 2013
19 Short-term loans and advances		
Unsecured, Considered good		
Deposits and Balances with excise authorities	2,27,21,664	2,50,03,847
Sundry Deposits ( refer note 32)	1,35,46,697	1,21,20,662
Other advances	4,12,22,135	4,65,92,647
	<u>7,74,90,496</u>	<u>8,37,17,156</u>
20 Other current assets		
	March 31, 2014	March 31, 2013
Interest accrued on Investments / Deposits	1,59,53,846	1,60,30,373
	<u>1,59,53,846</u>	<u>1,60,30,373</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
21 Revenue from operations		
Sale of Products		
Export Sales	3,13,94,797	4,10,58,999
Domestic Sales	144,32,11,968	139,96,29,018
	147,46,06,765	144,06,88,017
Less: Excise Duty paid	(7,05,10,275)	(7,41,24,997)
	140,40,96,490	136,65,63,020
Other operating revenues	1,31,85,345	99,02,187
	141,72,81,835	137,64,65,207
22 Other Income		
	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest Income	69,12,900	72,66,304
Dividend Income	27,68,163	31,05,420
Net gain / (loss) on sale of investment	(90,60,811)	15,53,954
Rent Receipt (refer note.36)	13,200	14,200
Income from investments	1,85,86,712	1,84,14,571
Profit on sale of assets	-	14,98,258
Scrap sales	34,26,812	32,29,800
Bad Debts Recovered	18,33,382	13,21,751
Exchange Difference - (Net)	18,20,558	-
Other Income	31,18,615	63,01,486
	2,94,19,531	4,27,05,744
23 Cost of Materials consumed		
	Year Ended March 31, 2013	Year Ended March 31, 2012
Opening Stock of Raw Materials& Packing Materials	4,49,98,788	6,42,64,104
Purchases Of Raw Materials & Packing Materials	52,39,83,829	54,06,31,158
	56,89,82,617	60,48,95,262
Less: Closing Stock of Raw Materials & Packing Materials	3,83,21,706	4,49,98,788
Consumption of Raw & Packing Materials	53,06,60,911	55,98,96,474



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
24 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
Opening Stock		
Finished Goods	4,95,54,347	6,42,98,353
Process Stock	78,55,644	30,42,912
	<u>5,74,09,991</u>	<u>6,73,41,265</u>
Closing stock		
Finished Goods	4,67,23,772	4,95,54,347
Process Stock	21,84,020	78,55,644
	<u>4,89,07,792</u>	<u>5,74,09,991</u>
(Increase) / Decrease in Stock	85,02,199	99,31,274
Excise Duty on Increase / (Decrease) on Finished Goods	1,49,444	(1,36,494)
	<u>86,51,643</u>	<u>97,94,780</u>
25 Employee benefit expenses		
	Year Ended March 31, 2014	Year Ended March 31, 2013
Salaries & Wages	19,03,18,222	18,22,29,088
Contribution to Provident & Other Funds	2,36,76,490	1,67,81,554
Staff Welfare expenses	1,42,49,980	1,12,75,664
	<u>22,82,44,692</u>	<u>21,02,86,306</u>
26 Financial Costs		
	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest Expenses	1,67,26,509	2,36,14,863
Bank charges	9,35,364	11,74,922
	<u>1,76,61,873</u>	<u>2,47,89,785</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
27 Other Expenses		
Power & Fuel	1,65,70,727	1,83,64,825
Repairs & Maintenance :		
Building	7,81,320	11,40,820
Machinery	56,94,591	59,88,843
Others	41,95,407	57,16,144
Consumables	69,42,588	40,50,605
Freight and Transport Charges	3,24,33,902	3,10,13,437
Advertisement	11,19,57,528	10,75,63,431
Selling Expenses	5,31,79,931	5,98,66,933
Commission on Sales	14,61,491	12,27,086
Sales Tax	7,41,15,163	6,95,84,832
Rates and Taxes	45,34,886	57,05,271
Insurance	27,04,088	21,20,105
Travelling Expenses	3,77,22,302	2,83,71,845
Conveyance	48,99,812	36,74,828
Retainer & Consultancy	44,65,553	62,77,235
Security Charges	55,68,555	55,85,607
Rent (refer note.36)	51,76,294	42,75,916
Printing & Stationery	25,05,943	26,68,670
Postage & Telegrams	14,00,432	13,92,676
Communication Expenses	89,51,278	1,01,73,866
Legal Expenses	4,05,504	5,50,285
Research & Development Expenses	10,08,404	13,32,834
Donations	12,00,000	12,00,000
Auditor's Remuneration :		
Audit Fees	12,12,000	11,20,000
Tax Representation	1,12,360	-
Other services (including limited review fees)	5,11,238	4,05,169
Out of Pocket expenses	43,227	25,753
Cost Audit Fees	2,00,000	1,00,000
Directors Sitting Fees	5,02,500	5,47,500
Commission to Non-Executive Directors	18,00,000	15,00,000
Lease Rent	14,09,377	4,10,000
Loss on fixed assets sold / discarded	3,03,982	-
Exchange difference (net)	-	2,18,545
EDP Expenses	11,82,368	17,72,264
Advances written off	-	10,64,257
Miscellaneous Expenses	57,82,218	55,46,174
	<u>40,09,34,969</u>	<u>39,05,55,756</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
28. Extraordinary Item		
Investments / Advances of Subsidiary company written off	-	1,46,84,032
Less: Provisions made in earlier years	-	(1,46,84,032)
	-	-
29. Monies for which the company is contingently liable :		
a. Bonds executed in favour of Collector of Central Excise, Chennai – ₹ 8,00,000/- ( ₹ 8,00,000)		
b. Guarantees/Letter of Credit issued on behalf of Company by Banks – ₹ 4,77,73,781/- ( ₹ 4,57,39,605/-)		
c. Appeals filed in respect of disputed demands :	2013-14	2012-13
Excise Duty	61,62,430	36,73,095
E S I	3,96,545	3,96,545
Service Tax	2,31,22,929	2,13,72,535
Income Tax	1,21,36,664	1,00,93,470
Includes ₹ 42,85,357 paid under protest		
d. Lease Rent in respect of lease hold land has been revised by the Government of Tamil Nadu with retrospective effect from November 2001 and the arrears on this account up to 31st March 2014 is ₹ 6,31,95,319/-. The company has contested the said revision before the Madras High Court in a writ petition and pending resolution of the proceedings, it is not practicable either to estimate the liability nor the timing of the cash outflows. The company has made provision of ₹ 7,58,800 towards the same.		
e. Claims against the company not acknowledged as debts : ₹ 1,88,31,161/- ( ₹ 1,88,31,161/-)		
30. Estimated amount of capital expenditure commitments ₹ 5,00,00,000/- ( ₹ 3,00,00,000)		
31. a. The Company has transferred ₹ 3,52,691/- ( ₹ 1,51,901/-) of unclaimed dividend to Investor Education and Protection Fund during the year.		
b. Unclaimed Dividend amounting to ₹ 27,034 ( ₹ 19,677/-) is pending on account on litigation among claimants.		
32. Sundry Deposits represent Fixed Deposit with Dewan Housing Finance Corporation Limited renewed during the year.		
33. The Consolidated Financial Statements have been prepared by combining the accounts of Amrutanjan Health Care Limited and Amrutanjan Pharmaessense Private Limited (Wholly Owned Subsidiary) on a line to line basis as required by AS 21.		



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

### 34. Segment Reporting

(in `)

Primary Business Segments	OTC Products		Beverages		Pharmaceuticals		Others		Net Total	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
(a) Revenue :										
External Sales	123,30,80,899	114,32,60,706	14,20,92,085	19,74,90,753	2,89,23,506	2,58,11,561	1,31,85,345	99,02,187	141,72,81,835	137,64,65,207
Inter Segment Sales										
Total Revenue	123,30,80,899	114,32,60,706	14,20,92,085	19,74,90,753	2,89,23,506	2,58,11,561	1,31,85,345	99,02,187	141,72,81,835	137,64,65,207
(b) Result	25,92,87,912	20,78,06,759	(2,82,94,991)	(1,58,27,202)	(1,76,28,322)	(2,55,46,075)	(1,23,34,818)	(1,17,39,188)	20,10,29,781	15,46,94,294
Less : Unallocated expenditure net of unallocated income									(97,05,897)	(66,77,499)
Operating Profit									19,13,23,884	14,80,16,795
Interest expense									(1,67,26,509)	(2,36,14,863)
Interest Income and Income from Investments									1,92,06,964	3,03,40,249
Profit before Tax									19,38,04,339	15,47,42,181
Provision for taxation :										
- Income Tax									(7,15,00,000)	(5,60,00,000)
- Deferred Tax									21,33,178	54,19,100
- Short Provision of I.T of earlier years									-	(29,93,560)
Profit after Tax									12,44,37,517	10,11,67,721
(c) Segment Assets	61,95,96,804	62,64,66,663	13,85,98,847	15,11,80,159	19,82,47,643	21,08,46,573	44,85,197	38,14,604	96,09,28,491	99,23,07,999
Unallocated Assets									24,17,64,503	24,92,67,887
Total Assets	61,95,96,804	62,64,66,663	13,85,98,847	15,11,80,159	19,82,47,643	21,08,46,573	44,85,197	38,14,604	120,26,92,994	124,15,75,886
(d) Segment Liabilities	18,59,58,064	29,59,36,688	3,26,86,148	4,03,78,001	3,72,24,955	3,21,12,073	-	-	25,58,69,167	36,84,26,762
Unallocated Liabilities									5,44,34,671	5,04,80,082
Total Liabilities	18,59,58,064	29,59,36,688	3,26,86,148	4,03,78,001	3,72,24,955	3,21,12,073	-	-	31,03,03,838	41,89,06,844
(e) Capital expenditure	46,22,062	1,03,46,177	10,45,436	28,39,088	3,52,062	10,89,261	18,31,332	4,65,941	78,50,892	1,47,40,467
Unallocated expenditure									-	-
(f) Depreciation	2,31,41,394	2,40,06,874	47,03,019	47,19,827	69,63,090	75,49,563	11,60,739	9,19,607	3,59,68,242	3,71,95,871
Unallocated Depreciation									38,042	72,686
(g) Significant non-cash items	-	-	-	-	-	-	-	-	-	-

The Company has disclosed business segment as the primary segment and is organised in to three main business segments namely OTC products, Chemicals, Beverages and others.

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 TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

### 35. Related Party Disclosures

#### (i) List of related parties and relationships :

- a) Parties where control exists - Nil
- b) Key Management Personnel : Sri S. Sambhu Prasad, Chairman & Managing Director
- c) Relative to Key Management Personnel : Mrs. Rajeswari .S – Mother

#### (ii) Transactions with related parties mentioned in (a) above :

Nature of Transaction	2013-14	2012-13
Loans / Advances granted (net)	-	-

#### (iii) Transactions with related parties mentioned in (b) above :

Remuneration	1,11,90,306	88,72,267
Dividend Paid	72,22,470	39,47,720
Amount payable as on 31st Mar 2014	7,98,613	3,33,777

#### (iv) Transactions with related parties mentioned in (c) above :

Dividend Paid	-	32,74,750
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36. The Company's significant leasing arrangements are in respect of operation leases for premises. These leasing arrangements are not non-cancellable and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent in the profit and loss account. (refer note .27)

The company has also given certain land and building on operating lease. The rental income on such lease is included in rental receipt (refer note. 22)

### 37. Earnings Per Share

	2013-14	2012-13
(a) Numerator-Profit as per P & L a/c before extraordinary item (in `)	12,44,37,517	10,11,67,721
(b) Numerator-Profit as per P & L a/c after extraordinary item (in `)	12,44,37,517	10,11,67,721
(c) Denominator- Weighted average number of Equity shares outstanding	1,46,15,315	1,46,15,315
(d) Earnings per share ( Basic and Diluted ) before extraordinary item (in `)	8.51	6.92
(e) Earnings per share ( Basic and Diluted ) after extraordinary item (in `)	8.51	6.92
(f) Nominal value of shares (in `)	2.00	2.00

### 38. Employee Benefits

#### a) Defined Benefit Plans - As per Actuarial valuation on March 31, 2014

Gratuity  
A Expense recognised in the statement of Profit & Loss Account for the year ended March 31, 2014

	2013-14	2012-13
1 Current service cost	21,66,649	21,14,407
2 Interest Cost	11,91,923	13,37,867
3 Past Service Cost	-	-
4 Expected return on plan assets	(12,44,960)	(13,44,089)
5 Net actuarial (gain) / loss recognised during the year	(43,12,385)	(29,46,223)
6 Total Expense	64,25,997	(8,38,038)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

	2013-14	2012-13
B Actual return on plan assets		
1 Expected return on plan assets	12,44,960	13,44,089
2 Actuarial gain / (loss) on plan assets	(1,75,640)	(13,44,089)
3 Actual return on plan assets	10,69,320	-
C Net Asset/ Liability recognised in the Balance Sheet		
1 Present value of obligation	1,93,03,807	1,41,87,649
2 Fair value of plan assets	1,62,29,942	1,59,56,837
3 Funded status [surplus/(deficit)]	(30,73,865)	17,69,188
4 Net Assets / (Liability) recognised in the Balance Sheet	(30,73,865)	17,69,188
D Change in Present value of the Obligation during the year ended March 31, 2014		
1 Present value of obligation as at April 1, 2013	1,41,87,649	1,84,20,999
2 Current service cost	21,66,649	21,14,407
3 Interest Cost	11,91,923	13,37,867
4 Past Service Cost	-	-
5 Benefits paid	(23,79,159)	(33,95,312)
6 Actuarial (gain) / loss on obligation	41,36,745	(42,90,312)
7 Present value of obligation as at March 31, 2014	1,93,03,807	1,41,87,649
E Change in Assets during the year ended March 31, 2014		
1 Fair Value of plan assets as at April 1, 2013	1,59,56,837	1,76,42,205
2 Expected return on plan assets	12,44,960	13,44,089
3 Adjustment to opening balance	10,69,320	3,193
4 Contributions made	15,82,944	17,06,750
5 Benefits paid	(23,79,159)	(33,95,312)
6 Actuarial gain / (loss) on plan assets	(1,75,640)	(13,44,089)
7 Fair Value of plan assets as at March 31, 2014	1,62,29,942	1,59,56,837
F Major categories of plan assets as a percentage of total plan - 100% Qualifying Insurance Policy		
G Actuarial Assumptions		
1 Discount rate	9.17%	8.00%
2 Expected rate of return on plan assets	8.00%	8.00%
3 Salary Escalation	6.00%	5.00%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

- 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 31-03-2014 is ` 34,43,953 (` 57,48,982).

### 39. Previous Year Figures

Previous year 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

V. Swaminathan

Partner

Membership No.22276

Place : Chennai

Date : 30th May 2014

S. Sambhu Prasad  
Chairman & Managing Director

K. Kannan  
General Manager (Finance)

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







*Amrutanjan*

## **Back Pain Roll-on**

**Bounce back to life in 30 seconds**



### For Headache



### For Body Pain



### For Congestion



**Amrutanjan Health Care Limited**



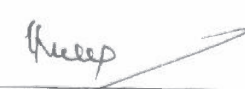

CIN : L24231TN1936PLC000017

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Tel : 044-2499 4465 Fax : 044-2499 4585 Website : [www.amrutanjan.com](http://www.amrutanjan.com)



### FORM A

1.	Name of the Company	Amrutanjan Health Care Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Un qualified Audit Report
4.	Frequency of observation	Not Applicable
5.	Chairman & Managing Director S. Sambhu Prasad  General Manager(Finance) K. Kannan  Auditor of the Company V.Swaminathan (For P.S. Subramania Iyer & Company)  Chairman of the Audit Committee Dr. H.B.N. Shetty	Signature(s)       

Amrutanjan Health Care Limited

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CIN L24231TN1999000007