

AHCL/ SE/ 29/ 2019-20

September 03, 2019

<b>The National Stock Exchange of India Limited</b> "Exchange Plaza", C-1, Block G Bandra-Kurla Complex, Bandra (E) Mumbai 400 051	<b>BSE Limited</b> Department of Corporate Services 1 <sup>st</sup> Floor, P.J. Towers Dalal Street Mumbai 400 001
<b>Symbol : AMRUTANJAN</b>	<b>Scrip Code: 590006</b>

Dear Sir / Madam,

**Sub: Submission of Annual Report 2018-19**

Pursuant to regulation 34(1)(a) of SEBI LODR Regulations 2015 we hereby inform that a copy of the Annual Report for the year 2018-19 along with the notice of Annual General Meeting has been dispatched to shareholders of the Company and is also available at the website of the Company at web link <https://www.amrutanjan.com/pdf/AR1819.pdf>

We enclose the same herewith for your records.

Thanking you,

Yours faithfully,

For **Amrutanjan Health Care Limited**

**(M Srinivasan)**

**Company Secretary & Compliance Officer**

**Amrutanjan Health Care Limited**

103, (Old No. 42-45), Luz Church Road,  
Mylapore, Chennai - 600 004  
Tamil Nadu, India.  
Tel : +91-44 - 2499 4465  
+91-44 - 2466 9000  
Fax : +91-44 - 2499 4585

E-mail : [customercare@amrutanjan.com](mailto:customercare@amrutanjan.com)  
Web Site : [www.amrutanjan.com](http://www.amrutanjan.com)  
Toll Free No. : 1 - 800 - 425 - 4545  
CIN - L24231TN1936PLC000017



ANNUAL REPORT 2019



Bringing nature and  
science together  
since 1893.





# Amrutanjan

## Roll-on

FOR HEADACHES

India's No.1 Roll-On



Advanced  
roller ball  
technology



Head Roll-On  
5ml / 10ml



Easy to carry



High Pure Menthol  
& Cooling Effect



Instant relief



Stain free &  
Refreshing Aroma



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## Our Values

Commitment towards interest of all stakeholders-customers, employees, shareholders & community.

To achieve leadership position in all our businesses.

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

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



## Corporate Information

Board of Directors	S Sambhu Prasad	<i>Chairman &amp; Managing Director</i>
	Dr. Pasumarthi S N Murthi	<i>Non-executive Director</i>
	Dr. H B N Shetty	<i>Non-executive Independent Director</i>
	Dr. (Ms.) Marie Shiranee Pereira	<i>Non-executive Independent Director</i>
	Dr. S Vydeeswaran	<i>Non-executive Independent Director</i>
	G Raghavan	<i>Non-executive Independent Director</i>
Key Managerial Personnel	V Swaminathan	<i>Non-executive Independent Director</i>
	N Swaminathan	<i>Chief Financial Officer</i>
Management Team	M Srinivasan	<i>Company Secretary &amp; Compliance Officer</i>
	R Narayanan	Chief Sales Officer
	S Jeyakanth	Chief Operating Officer (Supply Chain & Product Delivery)
	Dr. J Ravichandran	General Manager - QC/QA/R&D
	P Kannan	General Manager - HR and Administration
Statutory Auditors	B S R & Co. LLP Chartered Accountants KRM Tower, 1st & 2nd Floor, No. 1, Harrington Road, Chetpet, Chennai - 600 031.	
Bankers	HDFC Bank Limited Yes Bank Limited Punjab National Bank 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 : shares@amrutanjan.com Website : www.amrutanjan.com	
Corporate Identity Number	L24231TN1936PLC000017	
Factories	Alathur, Kancheepuram District, Tamil Nadu Uppal, Hyderabad, Telangana Aranvoyal Village, Tiruvallur District, Tamil Nadu	
Registrar & 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	

## TEN YEAR RECORD

(Rs.in lakhs)

Particulars	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net Sales	25,322.73	22,153.46	21,719.11	19,192.25	17,062.11	14,440.37	14,209.16	14,038.22	10,775.39	9,374.55
Other Income	713.09	602.45	724.61	573.05	469.43	283.71	426.64	449.26	483.22	605.19
Total Income	26,035.82	22,755.91	22,443.72	19,765.30	17,531.54	14,724.08	14,635.80	14,487.48	11,258.61	9,979.74
Profit Before Tax (PBT)	3,468.39	3,279.38	3,363.58	3,456.19	2,638.69	2,125.34	1,779.43	1,889.00	1,608.22	1,926.49
Provision for Taxation:										
Current tax & short Provision of earlier years	1,023.00	1,320.00	1,167.18	1,163.76	920.00	715.00	589.93	650.00	416.43	750.37
Deferred Tax	(6.04)	(37.92)	16.49	50.64	7.18	(41.97)	(22.46)	(117.49)	101.97	(39.51)
Profit after Tax (PAT)	2,451.43	1,997.30	2,179.91	2,241.79	1,711.51	1,452.31	1,211.96	1,356.49	1,089.82	1,215.63
Dividend	570.00*	562.69	321.54	562.68	511.54	467.69	438.46	438.46	443.81	454.50
Property, Plant & Equipment & Non current Investments	4,151.14	3,512.35	3,526.44	3,670.37	3,056.03	2,960.08	4,790.09	5,394.60	10,069.30	6,823.21
Deferred Tax Asset	424.15	394.88	347.15	343.05	-	-	-	-	-	-
Other Financial assets & other Non Current Assets	224.35	582.73	529.41	222.88	-	-	-	-	-	-
Net Current Assets	10,350.13	8,897.48	7,838.44	6,226.24	7,569.22	7,487.71	5,502.08	4,970.80	3,270.05	3,326.39
Total	15,149.77	13,387.44	12,241.44	10,462.54	10,625.25	10,447.79	10,292.17	10,365.40	13,339.35	10,149.60
Represented by:										
Share Capital	292.31	292.31	292.31	292.31	292.31	292.31	292.31	292.31	303.00	303.00
Reserves	14,281.32	12,573.60	11,279.00	9,527.78	10,192.19	9,399.86	8,494.72	7,794.61	9,989.29	9,438.34
Net Worth	14,573.63	12,865.91	11,571.31	9,820.09	10,484.50	9,692.17	8,787.03	8,086.92	10,292.29	9,741.34
Loans		-	248.28	250.00	-	550.00	1,257.54	2,008.42	2,662.69	125.85
Non Current Liabilities	576.14	521.53	421.85	392.45	-	-	-	-	-	-
Deferred Tax Liability	-	-	-	-	140.75	205.62	247.60	270.06	384.37	282.41
Total	15,149.77	13,387.44	12,241.44	10,462.54	10,625.25	10,447.79	10,292.17	10,365.40	13,339.35	10,149.60
Earnings per share (Rs.)	8.38	6.83	7.46	15.34	11.83	9.94	8.29	45.71	35.97	40.03
Book value per share (Rs.)	49.86	44.01	39.59	67.19	71.74	66.32	62.46	276.67	339.58	329.50
Face value per share (Rs.)	1.00	1.00	1.00	2.00	2.00	2.00	2.00	10.00	10.00	10.00
Dividend (%)	215.00**	195.00	192.50	192.50	175.00	160.00	150.00	150.00	150.00	150.00

\* This represents the amount of two interim dividends paid for FY 2018-2019 & final dividend paid for FY 2017-2018. Provision has not been considered for the proposed final dividend for FY 2018-19.

\*\* Includes a final dividend of Rs.1.05 (105%) per Equity Share (F.V. Re 1 each) recommended by the Board of Directors for the financial year ended 31st March 2019.

Note : The Company has adopted IND AS from FY ended March 31, 2018. Accordingly the details provided above are as per IND AS from April 01, 2016.

**NEW**



# ADVANCED' **BACK PAIN** **+ RANGE**

\*Starts Working in



**HOT ACTION**  
HEAT THERAPY

**100%**  
AYURVEDIC  
ACTIVE INGREDIENTS  
NO DICLOFENAC



**SPRAY**



**ROLL-ON**



**LOTION**

**USED FOR**



**Back pain**



**Neck pain**



**Shoulder pain**



**Knee pain**

\*Not for use if you are allergic to any of the ingredients.  
Visit [www.amrutanjan.com](http://www.amrutanjan.com)





### Pain Range

Extra Power Pain Balm, Strong Pain Balm, Head Roll-On and New Maha Strong



### Advanced Back Pain + Range

Advanced Back Pain + Lotion, Advanced Back Pain + Roll-On and Advanced Joint Muscle + Spray



### Congestion Range

Cold Rub, Inhaler, Cough Syrup, Swas Mint



**Women's Hygiene**  
Comfy Snug Fit Sanitary Napkins



**Beverages**  
Apple, Mango, Lemon, Alphonso, Electro+ Apple, Electro+ Orange, Mango Tetra



**Other Products**  
Decorn Corn Caps





As per the National Family Health Survey 2015-16, only 57% women between the ages of 15 and 24 use hygienic methods of menstrual protection. Many women in India still resort to unhygienic alternatives like cloth and ashes, because they can't afford expensive Sanitary Napkins.

Our main objective is to provide affordable sanitary napkins, thereby making menstrual hygiene accessible to every woman in India. Enabling and empowering every woman with

*The power to be you*

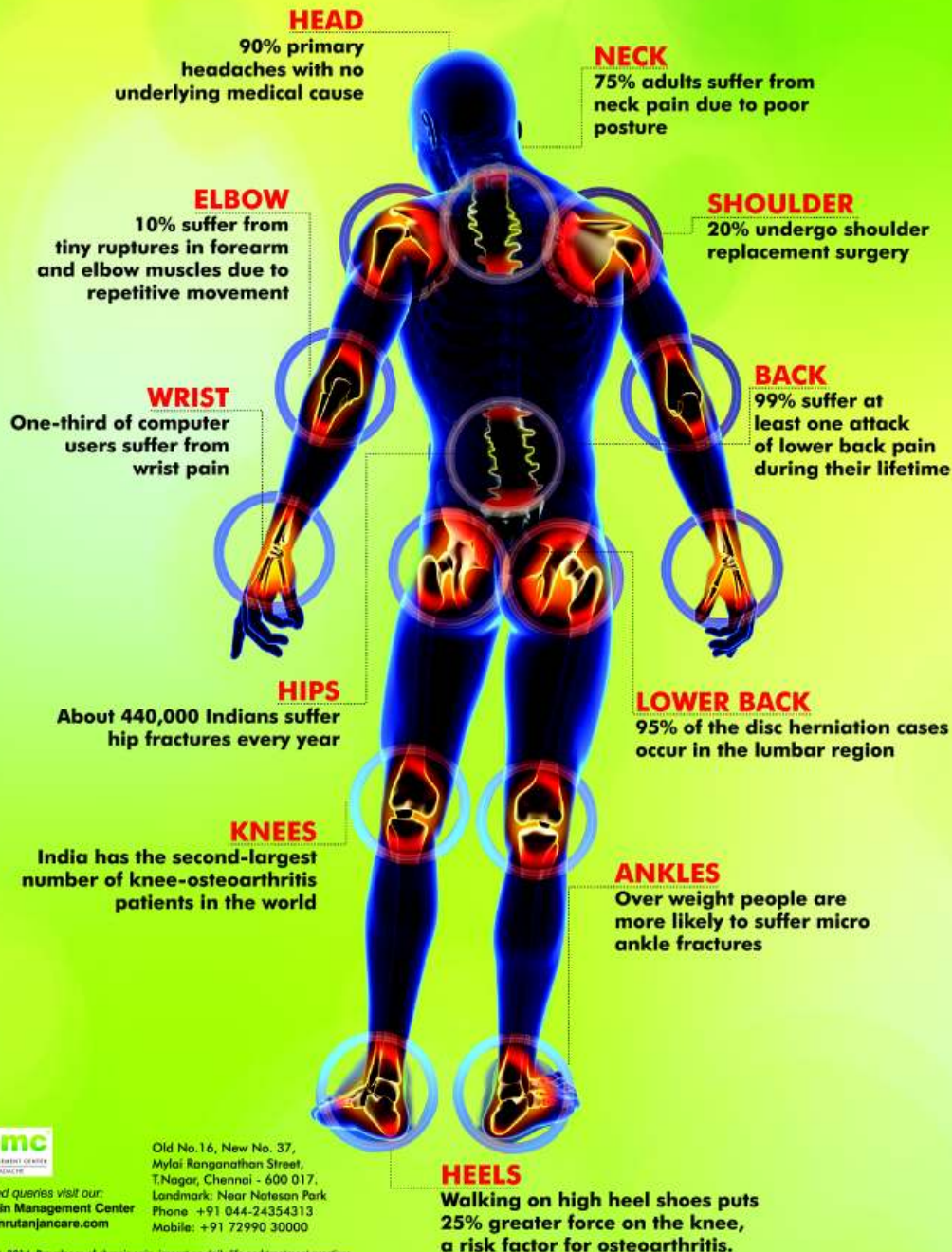


# THE MAP OF PAIN

**180 Million**  
Indians suffer from arthritis

**80%** urban Indians are vitamin D deficient which makes them prone to bone diseases

**95%** take non-steroidal anti-inflammatory drugs (NSAIDs)







# WHERE CARING COMES NATURALLY, TRUST FOLLOWS.

**Most Trusted Brands By Categories**

**Health & Personal Care**

- 1 Glucon-D
- 2 Dettol
- 3 Lifebuoy
- 4 Lux
- 5 Dove
- 6 Clinic Plus
- 7 Pond's
- 8 Johnson & Johnson
- 9 Parachute
- 10 Vicks
- 11 Sunsilk
- 12 Eno
- 13 Himalaya
- 14 Moov
- 15 Pantene
- 16 Fair & Lovely
- 17 Head & Shoulders
- 18 Godrej No 1
- 19 Vaseline
- 20 Iodex
- 21 Hajmola
- 22 Nivea
- 23 Garnier
- 24 Dabur Vatika
- 25 Boroplus
- 26 Cinthol
- 27 Zandu
- 28 Fogg
- 29 Pears
- 30 Navratna
- 31 Godrej Hair Dye
- 32 Boroline
- 33 **Amrutanjan**
- 34 Tiger Balm
- 35 Patanjali (Personal Care)
- 36 Vicco Turmeric
- 37 Clean & Clear (Skin Cream)
- 38 Gillette
- 39 Whisper
- 40 Hair&Care
- 41 Park Avenue
- 42 Volini
- 43 PudIn Hara
- 44 Lakme
- 45 Santoor
- 46 Medimix
- 47 Savlon
- 48 Sugar Free
- 49 Hamam
- 50 Fair & Handsome

Amrutanjan is ranked 33<sup>rd</sup> in the Most Trusted Brand Study by Brand Equity in the Health & Personal Care category.

Source: Economic Times Brand Equity Most Trusted Brands 2019

**Select category below**

**Healthcare**

**TRA'S BRAND TRUST REPORT 2019 RANKINGS**

**HEALTHCARE SUPER CATEGORY**

RANK	STR 2019	BRAND NAME	CATEGORY
1	91	Cipla	PHARMACEUTICALS - INDIAN
2	159	JOHNSON & JOHNSON	HEALTHCARE - DIVERSIFIED
3	264	APOLLO HOSPITALS	HOSPITALS
4	275	FORTIS HOSPITALS	HOSPITALS
5	304	DR REDDY'S	PHARMACEUTICALS - INDIAN
6	307	DABUR	AYURVEDIC PRODUCTS
7	345	NOVARTIS	PHARMACEUTICALS - FOREIGN
8	356	DABUR	CHAWANPRASH
9	359	SUN PHARMA	PHARMACEUTICALS - INDIAN
10	381	PATANJALI	AYURVEDIC PRODUCTS
11	400	CROCON	OTC
12	432	MAX HEALTHCARE	HOSPITALS
13	437	TATA MEMORIAL CENTRE	HOSPITALS
14	442	MOOV	PAIN BALM
15	453	INTAS	PHARMACEUTICALS - INDIAN
16	456	WANKIND PHARMA	PHARMACEUTICALS - INDIAN
17	460	VICKS	COUGH SUPPRESSANT
18	489	GSK	PHARMACEUTICALS - FOREIGN
19	529	ABBOTT	PHARMACEUTICALS - FOREIGN
20	547	HIMALAYA	AYURVEDIC PRODUCTS
21	549	<b>AMRUTANJAN</b>	PAIN BALM
22	600	KEM HOSPITAL	HOSPITALS
23	602	GLENMARK	PHARMACEUTICALS - INDIAN
24	620	HAMDARD	UNANI MEDICINE
25	643	VOLINI	PAIN BALM
26	689	AJIMS	HOSPITALS
27	700	CADILA PHARMACEUTICALS	PHARMACEUTICALS - INDIAN
28	787	IODEX	PAIN BALM
29	825	AJANTA PHARMA	PHARMACEUTICALS - INDIAN

**PAIN BALM**

RANK	STR 2019	BRAND NAME
1	442	MOOV
2	549	<b>AMRUTANJAN</b>
3	643	VOLINI
4	787	IODEX

Source: TRA's Brand Trust Report 2019

Amrutanjan is ranked 21<sup>st</sup> in the Healthcare Super category and 2<sup>nd</sup> in the Pain Balm category in Trust Advisory's Brand Trust Report 2019 rankings.







# AMRUTANJAN BRAND MANIFESTO

- We stand for individual and family well being.
- Our expertise lies in combining science with naturalness and we have been honing this since 1893.
- We are committed to creating offerings which help people get rid of pain.
- Our products will be efficacious in providing the relief which our consumers seek.
- We endeavour to delight our customers through the experience we provide.
- The products we make are pure and natural.
- We are against using chemicals like Diclofenac which are harmful and have side effects which impact the larger environment as well.
- We will stay loyal to our roots of Ayurveda, Naturalness and usage of herbs in our products.







## Chairman and Managing Director's Letter

*Dear Valued Owners,*

The year 2018-19 saw your company deliver revenue growth of 12.85% with an operating profit growth of 12.12% (Profit before tax and exceptional item) and a PAT growth of 22.73%. The OTC business grew by a very respectable 18.87%, which drove the double-digit growth in profitability. Your team executed the business plan well in spite of challenges from material cost escalation and hangover from GST issues of the prior year.

Key highlights of the year in review are as follows:

- Group revenue growth from Rs. 249.27cr to Rs. 281.31cr; a growth of 12.85%
- OTC revenue growth from Rs. 215.30 cr to Rs. 255.93 cr; a growth of 18.87%
- The pain business grew by double digits led by Roll on format
- The roll on format touched Rs. 35 cr in revenue.
- Comfy sanitary napkin brand grew revenue from Rs. 19.62 cr to Rs. 35.30 cr
- The brand Comfy now enjoys a volume market share of 1.9% pan India.
- The company grew profits by double digits in spite of a Gross margin drop of 400 basis points. The drop was due to all time high menthol and essential oil prices. The operating profit impact due to the price inflation is to the tune of Rs. 13.49 cr!

At Amrutanjan, we believe in consumer led growth built on the twin pillars of operational excellence and strong execution. We were able to introduce a completely revamped body pain product range with positive market acceptance. We also launched an orange flavored ORS drink under the Electro+ brand. The sanitary napkin business saw the launch of a longer pad offering (Comfy XL) along with a family pack(20 units pack). These launches are testament to the execution ability of the organization especially across varied categories. We have plans to launch premium range of sanitary pads in the 1st quarter of FY 20. We will continue to introduce new variants in the categories we operate to drive market share growth.

I have written much about the need to expand distribution if we are to realize our dreams of growing the organization to a larger scale. On that front the Head ache Roll on and Comfy sanitary napkin saw sizeable growths in outlet additions. We have also opened exclusive distributors across town classes thereby increasing our direct distribution reach that would benefit all brands.

I am also proud to share the fact that we opened our first online exclusive store on Amazon. Our products are now available in all the leading E commerce portals, thereby increasing the reach of our product range.

I would like to state another matter very proudly which supports the "Make in India" vision of our Hon. Prime Minister; Our Comfy brand success has revived the fortunes of a rather dormant factory in South of Tamil Nadu thereby creating employment in the towns nearby. When some studies show that India's share of manufacturing GDP has remain unchanged since 1990s, all of us "wealth creators" (in the words of our Hon. PM) have a role to play.

We continue to support the communities we do business in through our CSR initiatives and also by practicing environmentally friendly business practices. We wish to reduce our plastic and water consumption footprint by improving our product and process designs.

Sincerely,

S. Sambhu Prasad

Note: The revenue referred above denotes Gross Sales (net sales plus taxes and discounts).

## NOTICE TO MEMBERS

NOTICE is hereby given that the Eighty Second (82nd) Annual General Meeting ("AGM") of Amrutanjan Health Care Limited will be held on Wednesday, September 25, 2019 at 10.30 A.M. at Narada Gana Sabha (Sathguru Gnanananda Hall), No. 314 (Old No.254), T.T.K. Road, Chennai 600 018, to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the reports of the Board of Directors and Auditors thereon.
2. To confirm the Interim Dividends of Rs. 1.10/- (Two Interim Dividends of Re. 0.55/- each) per equity share of Re. 1/- each already paid and to declare Final Dividend of Rs. 1.05/- per equity share of Re. 1/- each for the financial year 2018-19.

### SPECIAL BUSINESS:

#### Special Resolution

3. 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 Sections 149, 152(6) and such other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable provisions, if any, Dr. Pasumarthi S N Murthi (DIN 00051303), Non-Executive Director of the Company, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Non-Executive Director and the appointment shall be subject to retirement by rotation."

"RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, sanction be and is hereby also accorded to re-appoint Dr. Pasumarthi S N Murthi (DIN 00051303) as a Non- Executive Director notwithstanding that he has already attained the age of 75 years."

#### Ordinary Resolution

4. 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 Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 1,25,000/- (Rupees One Lakh twenty five thousand only) plus applicable taxes payable to Mr. G Thangaraj (Reg. No. 100464), Cost Accountant, who was appointed by the Board of Directors as the Cost Auditor to conduct the audit of cost records maintained by the Company for the financial year ended March 31, 2020, be and is hereby approved."

BY ORDER OF THE BOARD  
For Amrutanjan Health Care Limited

Place : Chennai  
Date : August 13, 2019

M Srinivasan  
Company Secretary & Compliance Officer

Registered Office:  
Amrutanjan Health Care Limited  
CIN: L24231TN1936PLC000017  
No.103, Luz Church Road, Mylapore,  
Chennai 600 004  
Tel : 044-2499 4465; Fax : 044-2499 4585  
Email : shares@amrutanjan.com  
Website : www.amrutanjan.com





## NOTICE TO MEMBERS (Contd.)

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ONLY ON A POLL AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed, stamped and signed, not less than FORTY EIGHT (48) hours before commencement of 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 voting share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total voting share capital of the company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.
3. Corporate Members/FIs/Financial Institutions intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of the Board resolution/such other documents authorizing their representatives to attend and vote at the AGM well in advance.
4. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
5. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act") relating to the Special Businesses to be transacted at the meeting is annexed hereto.
6. Information pursuant to regulation 26(4), 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) (SEBI LODR) and Secretarial Standard on General Meetings (SS-2) with respect to the Director seeking re-appointment at the AGM is furnished in the Annexure to this Notice. The Director has furnished the requisite consent / declaration for his re-appointment.
7. For the purpose of determining the eligibility for the payment of annual dividend, the shareholders holding shares as on September 18, 2019 in dematerialised mode and the shareholders holding shares as on September 25, 2019 in physical mode will be considered. The Register of Members and the share transfer books will remain closed from Tuesday, September 19, 2019 to Wednesday September 25, 2019 (both days inclusive). Transfers received during book closure, if any, will be considered only after reopening of the Register of Members.
8. Members are requested to note that the Company's Equity Shares are under compulsory demat mode of trading. The Securities and Exchange Board of India (SEBI) has mandated that no physical transfer of shares shall be permitted with effect from April 01, 2019. Hence the members who have not yet dematerialized their physical share-holdings in the company are advised to avail the facility of dematerialization of equity shares of the company.
9. 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/Registrars and Transfer Agents (RTA), M/s. Cameo Corporate Services Limited.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company/RTA for consolidation into a single-folio.
11. Pursuant to the provisions of section 124 and 125 of the Companies Act, 2013, the dividend which remains unclaimed for a period of seven (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 be able to make claims to the amount of dividends transferred to the Fund only after following the prescribed procedure. Accordingly, during the Financial Year 2018-19, the Company has transferred the unclaimed dividend pertaining to the financial year 2010-11 amounting to Rs.5,41,320 to IEPF. Members who have not yet encashed their dividend warrants/ payment instrument(s) so far are requested to make their claims to the Company's Corporate office or to the Company's Registrar and Transfer Agent, M/s. Cameo Corporate Services Limited, "Subramaniam Building", No.1, Club House Road, Chennai 600 002 immediately. The Company has provided / hosted the required details of unclaimed amounts on its website and also in the website of the Ministry of Corporate Affairs (MCA) in the relevant form each year.

The Company is required to transfer to IEPF Authority, shares in respect of which the dividend is not claimed/ remains unpaid for seven (7) consecutive years and such shares can be claimed by respective members from IEPF authority by following the prescribed procedure.
12. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in security market. Members holding shares in electronic form are therefore requested to submit their 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/Registrar and Transfer Agents (RTA), M/s. Cameo Corporate Services Limited, if not already submitted.
13. The members holding shares in demat format are requested to update their e-mail addresses with their depository participant to ensure that the Annual Report and other documents reach them on their preferred e-mail account in order to save paper and participate in the "Green Initiative" of the Ministry of Corporate Affairs.
14. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays between 10.00 a.m. and 5.00 p.m. up to and including the date of the Annual General Meeting.

## NOTICE TO MEMBERS (Contd.)

15. 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 (7) days before the date of Annual General Meeting to enable the Company to keep the information ready at the meeting.
16. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
17. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Act, are requested to submit details to the RTA in the prescribed Form SH 13 for this purpose.
18. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
19. Members may also note that the Notice of the Eighty Second (82nd) AGM and the Annual Report for 2018-19 will be available on the Company's website [www.amrutanjan.com](http://www.amrutanjan.com) and also on the website of the Stock Exchanges respectively, [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com). The physical copies of the aforesaid documents will also be available at the Registered Office of the Company in Chennai for inspection during normal business hours on working days except Saturdays. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor e-mail id: [shares@amrutanjan.com](mailto:shares@amrutanjan.com).
20. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Wednesday September 25, 2019.
21. **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, as amended from time to time and Regulation 44 of SEBI LODR, the Company provides the Members the facility to exercise their right to vote at the 82nd AGM by electronic means and the businesses may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

Procedures for voting electronically by shareholders are as under:

- (i) The e-voting period begins on Sunday, September 22, 2019 (9.00 a.m IST) and ends on Tuesday, September 24, 2019 (5.00 p.m IST). The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member he shall not be allowed to change it subsequently. During this period, Members of the Company, holding shares as on the cut-off date, Wednesday September 18, 2019, may cast their votes electronically.
- (ii) The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut – off date September 18, 2019 (Wednesday).
- (iii) Mr. P Sriram of M/s. P Sriram & Associates, Practising Company Secretary (Membership No. FCS 4862), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (iv) The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two (2) 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.
- (v) 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.
- (vi) 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 (2) from the date of Annual General Meeting (AGM) of the Company. The results declared along with the Scrutinizers 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 National Stock Exchange of India Limited where the shares of the Company are listed.

Instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on Shareholders.
- (iii) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID.
  - b. For NSDL: 8 character DPID followed by 8 digits Client ID.
  - c. Members holding shares in physical form should enter Folio Number registered with the Company.





## NOTICE TO MEMBERS (Contd.)

- (iv) Next enter the image verification as displayed and click on Login.
- (v) If you are holding shares in the 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.
- (vi) If you are a first time user follow the steps given below:

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	<p>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.</p>
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 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 (iii).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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 to take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant resolutions on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

## NOTICE TO MEMBERS (Contd.)

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(xviii) Note for Non-Individual Shareholders & Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate and Custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.
- 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).

BY ORDER OF THE BOARD  
For Amrutanjan Health Care Limited

M Srinivasan  
Company Secretary & Compliance Officer

Place : Chennai  
Date : August 13, 2019

Registered Office:  
Amrutanjan Health Care Limited  
CIN: L24231TN1936PLC000017  
No.103, Luz Church Road, Mylapore,  
Chennai 600 004  
Tel : 044-2499 4465; Fax : 044-2499 4585  
Email : [shares@amrutanjan.com](mailto:shares@amrutanjan.com)  
Website : [www.amrutanjan.com](http://www.amrutanjan.com)





## NOTICE TO MEMBERS (Contd.)

### EXPLANATORY STATEMENT

Pursuant to Section 102(1) of the Companies Act, 2013, the following explanatory statement sets out all the material facts relating to the Special Businesses mentioned under Item no's 3 to 4 of the accompanying notice.

#### Item No. 3 - Re-appointment of Dr. Pasumarthi S N Murthi (DIN 00051303)

Dr. Pasumarthi S N Murthi (DIN 00051303), Non- Executive Director, joined the Board of the Company on August 5, 1989 and his current tenure is expiring on the conclusion of the ensuing AGM. Dr. Pasumarthi S N Murthi holds a Medicine degree and a Bachelor Degree in Science. He also holds Fellowship of the Royal College of Surgeons (FRCS- Edin U.K) and is a Fellow Member of International Medical Sciences Academy (FIMSA). Dr. Pasumarthi S N Murthi is a retired consultant surgeon with wide experience in the field of Medicine and 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.

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 prescribes that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

In view of the said provision of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, Section 149, 152(6) and such other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Nomination and Remuneration Committee discussed the matter and recommended the re-appointment of Dr. Pasumarthi S N Murthi as Non- Executive Director, who retires by rotation and being eligible, offers himself for re-appointment.

The Board after considering the skill, knowledge, immense experience and expertise in the field of medicine, active participation in the meetings, valuable guidance and the fulfilment of the conditions specified in the Act and the Rules framed thereunder, and based on the recommendations of Nomination and Remuneration Committee, has recommended the resolution for approval of shareholders by way of special resolution.

Except Dr. Pasumarthi S N Murthi, none of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out in Item no. 3.

The Board recommends passing the resolution set out in Item No. 3 of this Notice as special resolution.

#### Item No. 4 – Cost Auditor Remuneration

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to conduct the audit of the cost records of the applicable products of the Company. As per the Rules, remuneration payable to the cost auditor is required to be approved by the members of the Company. The Board of Directors of the Company at its meeting held on August 13 2019 had considered and approved the appointment of Mr. G Thangaraj, Cost Accountant (Registration No: 100464) as the Cost Auditor of the Company for the financial year 2019-20 at a remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) plus applicable taxes.

Copies of relevant resolution of the Audit Committee and the Board are available for inspection of the members on any working day of the Company except Saturdays between 10.00 a.m. and 5.00 p.m. at the registered office of the Company.

The Board of directors accordingly recommends the resolution set out in Item No 4 of the accompanying Notice for the approval of members.

BY ORDER OF THE BOARD  
For Amrutanjan Health Care Limited

Place : Chennai  
Date : August 13, 2019

M Srinivasan  
Company Secretary & Compliance Officer

Registered Office:  
Amrutanjan Health Care Limited  
CIN: L24231TN1936PLC000017  
No.103, Luz Church Road, Mylapore,  
Chennai 600 004  
Tel : 044-2499 4465; Fax : 044-2499 4585  
Email : shares@amrutanjan.com  
Website : www.amrutanjan.com

## NOTICE TO MEMBERS (Contd.)

Information about director seeking re-appointment at the forthcoming Annual General Meeting in compliance with Regulation 26(4), 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2)

Name of the Director & DIN	Dr. Pasumarthi S.N. Murthi (DIN 00051303)
Date of Birth & Age	11th August, 1934; 85 years
Date of Original Appointment	5th August, 1989
Educational Qualifications	B.Sc., MBBS, FRCS (Edin UK) 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 relating to the products of the Company;
Terms and conditions of appointment	Appointment is subject to retirement by rotation
Last drawn Remuneration	As declared In the Annexure of Board's report
Remuneration sought to be paid	Sitting Fees and Commission as approved by the Board from time to time within the statutory limits
List of other Companies in which Directorships held	Nil
Chairmanship/ Membership of Committees of Board of Directors of other Companies	Nil
Number of meetings of the Board attended during the year	Four (4)
Shareholding	25,44,530 equity shares
Relationship with other Directors/ Manager/ KMP	Not related to any other Director of Amrutanjan Health Care Limited





## BOARD'S REPORT

Your Directors have pleasure in presenting the Eighty Second (82nd) Annual Report of the Company along with the Audited financial statements for the year ended March 31, 2019.

### 1. FINANCIAL RESULTS

Particulars	(Rs. in Lakhs)	
	For the Current Year ended 31 <sup>st</sup> March, 2019	For the Previous Year ended 31 <sup>st</sup> March, 2018
Profit before Interest and Depreciation (continuing operations)	3,840.92	3,412.15
Less:		
Interest	8.22	12.68
Depreciation and Amortization	315.97	290.59
Profit before exceptional items	3,516.73	3,108.88
Exceptional items	-	186.68
Profit before tax	3,516.73	3,295.56
Provision for taxation		
- Income Tax	1,023.00	1,320.00
- Deferred Tax	(6.04)	(29.36)
- Short Provision for Income Tax of earlier years		
Profit from continuing operations	2,499.77	2,004.92
Loss from discontinued operation after tax	(48.34)	(7.62)
Profit for the year	2,451.43	1,997.30
Add: Net other comprehensive income not to be reclassified subsequently to profit or loss	(56.55)	(25.46)
Total comprehensive income for the year	2,394.88	1,971.84
Surplus from previous year brought forward	7,436.48	6,141.88
Profit for Appropriation	9,831.36	8,113.72
Appropriations:		
Final Dividend Paid	248.46	241.15
Tax on Final dividend	51.07	49.09
Interim dividend Paid	321.54	321.54
Tax on Interim Dividend	66.09	65.46
Balance Profit Carried to Balance Sheet	9,144.20	7,436.48
	9,831.36	8,113.72

Note : The sales/revenue wherever referred in Board's Report and MDA denotes Gross Sales (net sales plus taxes and discounts), unless explicitly mentioned as Net Sales.

## BOARD'S REPORT (Contd.)

### 2. STATE OF AFFAIRS:

Your Company has witnessed a 12.85 % growth in turnover during the financial year 2018-19 with total Gross Sales of Rs. 281.31 Crores as against Rs. 249.27 Crores during the previous financial year.

Business Performance at a Glance – OTC & Beverage

Particulars	2018-19	2017-18	Change %
Production-Tonnes	831.07	796.08	4.40
- Kilo Ltrs	4,854.54	6,898.54	(29.63)
Sales Volume - Tonnes	809.68	740.74	9.31
- Kilo Ltrs	4,366.00	5,994.09	(27.16)
Net Sale (Rs. in Cr)	253.23	221.53	14.31
Operating EBITDA (Rs. in Cr)	38.41	35.99	6.72
Operating EBITDAMargin(%)	15.17	16.25	(6.65)

### 3. DIVIDEND

Your Directors have increased the total dividend to Rs. 2.15 per equity share of Re. 1/- each (including final dividend recommended by Board of Directors for the year 2018-19) from Rs. 1.95 (adjusted) declared and paid for the previous year. Details of the Interim Dividend paid and the final dividend recommended are as below:

#### i. Interim Dividend:

S. No.	Date of Board Meeting approving the Dividend	Rate of Dividend	% of Interim Dividend to Face Value	Total Amount of Interim Dividend (in Rs.)	Date of Payment
1.	November 1, 2018	0.55	55%	1,60,76,847	November 16, 2018
2.	February 12, 2019	0.55	55%	1,60,76,847	February 26, 2019
	TOTAL	1.10	110%	3,21,53,694	

The Company has borne the entire dividend distribution tax of Rs. 66.09 lakhs towards the two interim dividends paid to the equity shareholders.

#### ii. Final Dividend:

The Board, in its meeting held on 23rd May, 2019, has recommended a final dividend of Rs. 1.05/- per equity share of face value of Re. 1/- each for the approval of the shareholders in the upcoming Eighty Second (82nd) Annual General Meeting. The dividend payout is as per the Capital Return Policy voluntarily adopted by the Company which is accessible through the web-link <https://www.amrutanjani.com/pdf/CRP.pdf>.

### 4. SHARE CAPITAL

The paid-up equity share capital as on March 31, 2019 was Rs. 2,92,30,630 (2,92,30,630 shares of Re. 1/- each).

Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including Sweat Equity Shares and ESOS) to employees of the Company under any scheme.

### 5. DEPOSITS

During the year, your Company has not accepted any deposits within the meaning of provisions of Chapter V (Acceptance of Deposits by Companies) of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and was not holding any amount under Deposit Account as on March 31, 2019.

### 6. FINANCE

The Profit before tax (before exceptional items) for FY'19 was Rs. 3,468.39 lakhs compared to Rs. 3,092.70 lakhs for FY'18.

The Company was able to improve the bottom-line by successfully identifying expense centres where there was a possibility of cost reduction.

The cash and cash equivalents & other bank balances have grown from Rs. 7,311.29 lakhs (as at 31st March, 2018) to Rs. 8130.82 lakhs (as at 31st March, 2019).

### 7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and details as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR] are given below:

Particulars	As on 31st March 2019	As on 31st March 2018
Loans (Secured & Unsecured)	-	-
Investments (Rs. in lakhs)	1,751.76	758.30
Guarantees (Rs. in lakhs)	213.24	210.40

The total amount stated above does not exceed the limit mentioned in section 186 of Companies Act, 2013.

### 8. MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

In terms of regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) as amended from time to time, the MDA capturing the performance, industry trends and other material changes with respect to your Company is presented in "ANNEXURE A" of this Report.





## BOARD'S REPORT (Contd.)

### 9. CORPORATE GOVERNANCE

Your Company has complied with the requirements of regulation 34 read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI LODR) and the following Reports/ Certificates form part of the report :

- The Report on Corporate Governance ("ANNEXURE B")
- The Certificate duly signed by the Chairman & Managing Director and Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2019 as submitted to the Board of Directors at their meeting held on May 23, 2019 ;
- The declaration by the Managing Director & CEO regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct ;
- The PCS Certificate on Corporate Governance
- The PCS Certificate on Director's eligibility

### 10. DIRECTORS, KEY MANAGERIAL PERSONNEL & SENIOR MANAGERIAL PERSONNEL

#### (a) Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013 ('ACT') and the Articles of Association of the Company, Dr. Pasumarthi S N Murthi (DIN: 00051303), Non- Executive Director retires by rotation at the upcoming Eighty Second (82nd) Annual General Meeting and being eligible, offers himself for reappointment.

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 prescribes that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

In compliance with the above, approval / sanction of the members is being sought at this AGM to re-appoint Dr. Pasumarthi S N Murthi (DIN 00051303) notwithstanding that he has already attained the age of 75 years.

#### (b) Independent Directors :

The independent directors have affirmed that they satisfy the criteria laid down under section 149(6) of the Companies Act 2013 (Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms and conditions of appointment of the Independent Directors are placed on the website of the Company [www.amrutanjan.com](http://www.amrutanjan.com). The details of familiarization programmes conducted to the Independent Directors are available at the weblink <https://www.amrutanjan.com/pdf/FR.pdf>.

#### (c) Key Managerial Personnel (KMP):

Pursuant to the provisions of Section 2(51) of the Companies Act, 2013, the Key Managerial Personnel of the Company are – Mr. S Sambhu Prasad, Chairman & Managing Director, Mr. N Swaminathan, Chief Financial Officer and Mr. M Srinivasan, Company Secretary. There was no change in the KMPs during the year.

### 11. BOARD MEETINGS

During the year, Four (4) meetings of the Board of Directors were held. The complete details of the meetings are furnished in the Corporate Governance Report. The intervening gap between any two Meetings was less than 120 days in compliance with the provisions of Section 173(1) of the Companies Act, 2013.

### 12. MEETING OF INDEPENDENT DIRECTORS

During the year, one (1) separate meeting of Independent Directors was held. In the said meeting, the independent directors assessed the quality, quantity and timeliness of flow of information between the management and the Board and have expressed that the current flow of information and contents were adequate for the Board to effectively perform its duties. They also reviewed the performance of the non-independent directors and the board as a whole and the performance of the Chairperson of the Company taking into account the views of Executive Director and Non-Executive Directors.

### 13. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014 and SEBI LODR, the Board of Directors during the year carried out an annual performance evaluation of its own performance, the directors individually (without participation of the relevant director) , and the Chairman.

The evaluation was carried through a structured methodology approved by the Nomination and Remuneration Committee. The criteria for performance evaluation have been detailed in the Corporate Governance Report.

The outcome of the evaluation also forms the basis for the Nomination and Remuneration Committee while considering the appointment/re-appointment of Directors.

### 14. REMUNERATION POLICY

The Remuneration policy of the Company deals with the appointment of and remuneration to the Executive & Non-executive Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters. It aims to attract, recruit and retain

## BOARD'S REPORT (Contd.)

exceptional talent and ensures that the remuneration is performance driven. The Policy has been provided in the website of the Company – <https://www.amrutanjan.com/policy.html>. The Nomination and Remuneration Committee has also framed a Policy on Board diversity appropriate to the business requirements of the Company, which inter-alia specifies optimum combination of Executive Directors, Non-Executive Directors and Independent Directors, the recommendatory requirement for each of the directors to possess functional diversity and role of Nomination and Remuneration Committee to ensure that the Policy on Board diversity is considered while recommending the appointment of new directors on the Board of the company.

The details of remuneration paid / payable to the directors during the financial year 2018-19, is furnished in the Corporate Governance report annexed to this report.

### 15. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower and the same was further amended effective from 1st April, 2019 to comply with the amended SEBI Insider Trading Regulations. The Policy is hosted on the website of the Company <https://www.amrutanjan.com/pdf/Whistle%20Blower%20Policy.pdf>.

The Policy inter-alia provides direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director/ employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

### 16. UNCLAIMED SHARES

The details of unclaimed shares held in Unclaimed Shares Suspense Account pursuant to SEBI LODR is provided in the Corporate Governance Report.

### 17. STATUTORY AUDITORS & THEIR REPROT

M/s. BSR & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 101248W/W-100022), were appointed as Statutory Auditors, at the conclusion of Eightieth (80th) AGM held on September 21, 2017 for a period of five (5) years till the conclusion of the Eighty Fifth (85th) Annual General Meeting of the Company. Pursuant to the notification dated May 7, 2018 of the relevant provisions of the Companies (Amendment) Act, 2017 and Rule 3 of the Companies (Audit and Auditors) Rules, 2018, the ratification of statutory auditor appointed in the AGM for five years is dispensed with.

The Statutory Auditors' report to the shareholders on the financials for the year ended March 31, 2019 does not contain any qualification, observation or adverse comment.

### 18. SECRETARIAL AUDITOR & AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s P Sriram & Associates, Practicing Company Secretaries, as its secretarial auditor to undertake the secretarial audit for FY 2018-19. The secretarial audit report certified by the secretarial auditors, in the specified form MR-3 is annexed herewith and forms part of this report "Annexure E".

The secretarial audit report does not contain any qualifications, reservations or adverse remarks or disclaimer

### 19. COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors at their meeting held on August 13, 2019 has appointed Mr. G Thangaraj (Registration No. 100464), Cost Accountant, as the Cost Auditor to conduct the cost audit with respect to OTC business of the company for the financial year ending March 31, 2020. He was also the cost auditor for the previous year ended March 31, 2019.

### 20. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

The CSR activities carried out by your Company during the financial year 2018-19 were mainly focused on (a) Animal Welfare (b) Health and Sanitation (c) Promoting Education (d) Environmental Protection (e) Empowerment of Women. The activities undertaken by the Company are in accordance with Schedule VII of the Companies Act, 2013, the CSR Policy of the Company and as per recommendations of the CSR Committee.

The CSR Committee met twice (2) during the year to oversee the activities, programs and execution of initiatives as per the predetermined guidelines of the Board and approve the amount to be spent towards CSR. The Board takes pleasure to note that the Company has spent the entire amount that was mandatorily to be incurred towards the CSR spends for the year 2018-19.

The main objectives of CSR policy of the Company are to help build socio-economic development of the nation through different projects and to ensure environmental sustainability. The Policy has widened scope to undertake all activities permitted under law. The CSR Policy is available on the website of the Company at the web-link <https://www.amrutanjan.com/pdf/ahcl-csr-policy.pdf>. The detailed report on CSR activities carried out during the financial year is given in "ANNEXURE C".





## BOARD'S REPORT (Contd.)

### 21. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in "ANNEXURE D".

### 22. EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT-9 as on March 31, 2019 as per provisions of Section 92(3) of the Companies Act, 2013 is attached as "ANNEXURE F" to this Report. Also pursuant to Section 134(3) of Companies Act 2013, a copy of Annual return of the Company is available on the website of the Company at the web-link <https://www.amrutanjan.com/Annualreturn.html>.

### 23. RELATED PARTY TRANSACTIONS

No material significant related party transaction was made by the Company during the year with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large and accordingly, applicability of Form AOC-2 does not exist.

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

Information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are furnished in "ANNEXURE G" to this Report.

### 25. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) & 134(5) of the Companies Act, 2013:

- I. that in the preparation of the annual financial statements for the year ended March 31, 2019, 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 had made judgment 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 March 31, 2019 and of the profit of the Company for the year ended on that date;
- III. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for

safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- IV. that the annual financial statements have been prepared on a going concern basis;
- V. that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
- VI. That proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 26. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate internal control system to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorised and recorded. Information provided to management is reliable and timely and statutory obligations are adhered to. Details of the same are provided in the Management Discussion and Analysis Report.

### 27. ENVIRONMENTAL, SAFETY AND HEALTH

Your Company is committed to ensure sound Safety, Health and Environmental (SHE) performance related to its activities, products and services. The Company is taking continuous steps to develop Safer Process Technologies and Unit Operations. Your Company has been investing heavily in areas such as Process Automation for increased safety and reduction of human error element. Enhanced level of training on Process and Behavior based safety, adoption of safe & environmental friendly production process, Management System is done on a continuous basis. The Company is committed to continuously take further steps to provide a safe and healthy environment.

### 28. RISK MANAGEMENT POLICY:

Your Company has a Risk Management Policy adopted by the Board. Periodical in-house risk audits were conducted to detect and mitigate the risks in a timely and effective manner. Management Discussion and Analysis Report contain more details on the risk management practiced by the Company.

### 29. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company between the closure of the financial year 2018-19 and the date of this report

### 30. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

## BOARD'S REPORT (Contd.)

### 31. ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

### 32. PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All

employees (permanent, contractual, temporary, trainees) are covered under this policy.

An awareness programme on the legal provision of the Act and its practical implementation was conducted by an expert during the year for the benefit of employees.

During the year 2018-19, no complaints were received by the Company related to sexual Harassment.

### 33. ACKNOWLEDGEMENT

The Directors wish to express their sincere appreciation to all the Government Departments, Bankers, Customers, Distributors, Suppliers and the shareholders for their co-operation and support extended during the year.

The Directors also wish to thank all the employees for their contribution, support and continued commitment throughout the year.

By Order of the Board  
For and on behalf of the Board

S Sambhu Prasad  
Chairman and Managing Director

Place : Chennai  
Date : May 23, 2019

Registered Office:  
Amrutanjan Health Care Limited  
CIN: L24231TN1936PLC000017  
No.103, Luz Church Road, Mylapore, Chennai 600 004  
Tel : 044-2499 4465 Fax : 044-2499 4585  
Email : shares@amrutanjan.com  
Website : www.amrutanjan.com



## Management Discussion and Analysis Report

## ANNEXURE - A

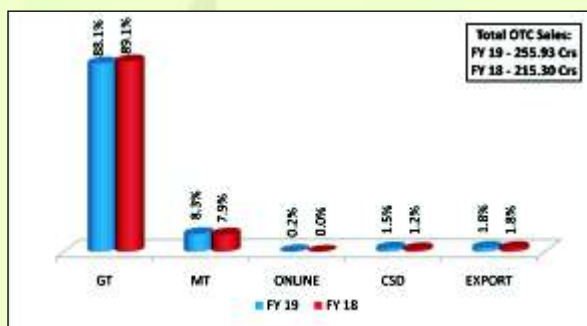
## (a) INDUSTRY STRUCTURE AND DEVELOPMENTS

FMCG is the 4th largest sector in the Indian economy and it is valued at around 4 lakh Crores, growing at 14%. The FMCG sector in India is expected to advance significantly in the next couple of years. Increasing market awareness, easier access to products, lifestyle changes have been the primary factors for growth in this sector. Though the Urban segment is the largest contributor of the sector's overall revenue, the rural and semi-urban segments are also growing at a faster pace.

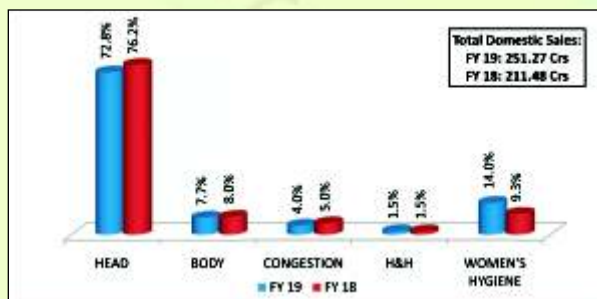
## Pain Management

Amrutanjan was ranked No.33 among top 50 brands in "Health and Personal Care" segment according to the Economic Times Brand Equity (Most Trusted Brands) 2018 Survey.

This OTC business of Amrutanjan has grown by 18.87% over the previous year and has achieved gross sales of Rs. 255.93 crores this year. The General Trade (GT) format continues to be the top contributor to the overall turnover. As a result of our focus on other channel types, AHCL has witnessed an increase in contribution from MT, CSD and Online channels.



In domestic sales, Head segment continues to be the top most contributor at 72.8% of the total sales. With our continued focus on Comfy expansion, the contribution of Women's Hygiene has increased significantly from 9.3% to 14% of the total sales.



## Brand Equity Index

Amrutanjan is among the top brands in terms of Brand Equity Index (BEI) within the users of Head & Body pain products viz., balms, roll-on,

gel, cream, spray & lotion. This indicates the equity enjoyed by 'Amrutanjan' in the pain category space.

The BEI takes into account of Brand Loyalty (Preference & Recommendation) and ability to charge a price premium.



*Target Audience for the study: Both Male & Female, Aged from 25 to 60 years, NCCSA, B, C, Those who have used pain products in the last 1 month, Key decision maker/ influencer in the purchase of the brand used (Exclusive rub users were not part of the sample)*

*Geographic Coverage: Bangalore, Bareilly, Bhubaneswar, Chennai, Cochin, Coimbatore, Delhi, Gulbarga, Hyderabad, Indore, Kolhapur, Kolkata, Lucknow, Mumbai, Nagpur, Nellore, Patna, Ranchi, Vijayawada and Warangal*

*Fieldwork Period : March '19 – April '19*

*Sample Size: 5388*

## Beverages

The increasing household income has nurtured the affordability of packaged fruit juice which has become part of routine breakfast list in Indian households. Progressing with Amrutanjan's endeavour to innovate new launches in this category, the following products were introduced into the market during FY 18-19 under Fruitnik umbrella.

## Electro+ ORS Rehydration:

Electro+ has seen 32% growth over the previous year. Orange variant was launched in addition to the existing Apple variant during the last quarter. It contains fruit juice with the goodness of Vitamin C, Glucose and Electrolytes that helps to regain lost salts & fluids due to diarrhoea and hot conditions. Within one quarter, the variant contributed to 31% of the total sales of Electro+. Considering the tremendous potential offered by the category, the Orange variant is expected to expand the distribution foot print across India, reaching out to millions of customers pan India. Also, this being a chemist channel product, it blends well with the core distribution strength of the company. Further, it enjoys a Gross Margin of 60% which brings in profitability to the overall beverage division.





## Management Discussion and Analysis Report (contd.)

### Alphonso Mango drink:

The flavour Alphonso, the 'King of Mangoes', was launched in 200 ml Ready – to – drink recyclable PET format. With rich Ratnagiri Alphonso pulp content, "Fruitnik Alphonso" is bottled with utmost care to ensure finest quality in taste.



### Women Hygiene

In India majority of women still resort to un-hygienic method of menstrual protection like cloth and ashes as they can't afford expensive Sanitary Napkins. Amrutanjan has diversified into this segment in the year 2013 and entered the sanitary napkin market under the brand name – Comfy. The main objective behind our product launch in this category was to provide affordable sanitary napkins, thereby making menstrual hygiene accessible to every woman in India. With the experience gained after the first launch, a new improved version was later launched with the name - Comfy Snug Fit that caters to the needs of the first time and cloth users. This objective was met with a great success as Comfy sales have grown many folds and has achieved 1.7% volume market share in the economy category for the year ending 2019 in a highly competitive market dominated by premium brands. The Company has achieved a growth of phenomenal 80% over the previous year in this category.

Amrutanjan Comfy is manufactured in a GMP certified factory and is designed with the inputs in product features provided by research team to better meet the expectations of Indian women. Any new product launch goes through several consumer validation and lab tests before being introduced in the market to ensure good reception. The product is accepted as a finest quality sanitary napkin in the market with 80% better absorption than the leading brand (as opined by the in-house R&D), anti-leak system and imported absorption material from North America.

The trust and faith of the Consumers in Amrutanjan Comfy was witnessed during Kerala floods in August 2018 when it was purchased in large numbers on Amazon online by relief providers for flood victims.

We continue to focus to achieve exponential growth year after year in this category thereby providing women maximum comfort so that they can concentrate on other important aspects of their lives unperturbed.

### Congestion Management

Cough syrup, lozenges, cold rub and nasal inhaler are the categories catering to Congestion portfolio. Amrutanjan Relief Inhaler is the second most used brand in the nasal inhaler category. It has achieved double digit volume growth over last year. Amrutanjan will continue to emphasise on natural solutions based on ayurveda for congestion.

### Supply Chain Management (SCM)

With more focus on improvement in operational efficiency and through strategic partnerships with suppliers, distributors and other third party logistics, the division is well equipped to minimise the time required for

converting orders into cash. Through continuous innovation in the area of packaging development and engineering, the company has successfully launched many products in different categories including back-pain roll-on, electroplus and comfy in the last decade. The SCM's delivery capability is fully geared up to meet the business expansion plans of the Company.

With respect to the input materials, there has been a very steep price increase in key raw materials like Menthol, Karpoo and Essential Oils due to unfavourable supply demand equation. However, there was no significant escalation in the cost of other raw materials used in OTC products.

Despite the fact that packaging material costs were not favourable in beverage division due to Crude Price & Forex Index, we could manage overall material cost within the estimate mainly because of favourable raw material price in Sugar & Mango Pulp.

As reported last year, the company has implemented automation of secondary packaging for Fruitnik in November, 2017 which resulted in change over to shrink wrap from Master Carton. The division has witnessed the optimum utilisation of the automation during this financial year.

On the Logistics front, we have worked towards freight cost optimisation for Women Hygiene Products. In this process, we have introduced bigger trucks by replacing small trucks effective from the last quarter of the year in selective locations based on volume handled, which has helped to contain spend on primary freight with the annualised savings of 4% to sales compared to previous FY.

### Information Technology

Amrutanjan believes in deploying Information Technology across business functions to accelerate progress by tracking activity, collect, synthesise data and provide information to managers. Our IT function deployment not only supports Finance but also Sales and Marketing via initiatives like SFA (sales force automation), online consumer tracking and also supply chain touch points.

The SFA gives sales information on real time basis from field force and provides visibility of the sales activities with data on a visual dashboard/report. It also helps to generate more accurate data on physical presence of sales personnel at the predefined beats, addition of outlets with geotagging (the process of tagging with geographical information), order information, outlets visited, productive calls, unvisited outlets all at a glance.

As of now we have implemented SFA in Karnataka, Tamil Nadu and Andhra Pradesh. We have already geo-tagged more than 1.1 lakhs outlets in these regions through this process.

### Modern Format Focus

The continuous focus on Modern Trade channel has resulted with the sales of Rs. 21.24 cr in 2018-19 and the growth of 24.53 % . The CAGR growth of Modern Trade is 30% in the last four years.



## Management Discussion and Analysis Report (contd.)

Amrutanjan ranks as No 1 in Modern Trade in Head Category with the volume market share of 47% and Value market share of 43.3%.



Amrutanjan products are currently available in 6500 MT stores. The acceptance of our products has increased well among MT customers including new categories. Exclusive brand store was created in Amazon for Amrutanjan range of products. Our products are currently available in the leading E commerce channels, viz., Amazon, Sasta Sundar, Medlife, Big Basket and Netmed. The company has plans to further expand the e-commerce channel in the coming years.

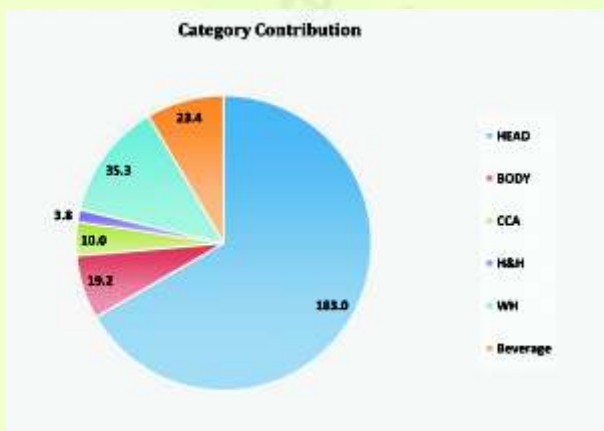
### Exports



In 2018-19, we have entered Mozambique and Zambia markets.

### (b) OPPORTUNITIES AND THREATS

The pain management segment of OTC category continues to be the core area of focus for Amrutanjan's product portfolio. As can be witnessed in the diagram below, the head and body pain management contribute to majority of the company's sales (67%) and will continue to be the lead revenue factor for future growth.



The share of revenues from Western and Northern Zones remains low and will be given more attention by the company going forward.

**ZONAL SALES BREAK UP FOR OTC** (Non beverages, including Women's hygiene)



Gross Margin for OTC business for the year 2018-19 was at 56.10% as compared to 60.19% for the year 2017-18. Gross Margin was impacted by 400 basis points mainly due to input cost increase (Raw Material & Packing Material price increase, Rupee depreciation against US Dollar etc.). Also the price of Raw Material Menthol has reached its highest level in the year 2018-19. Suitable corrective actions have been taken to mitigate the Gross Margin erosion in future.

The following will continue to be the growth drivers for the company in the coming year:

- Expansion of pain business in Western and Northern Zones
- Further strengthening the existing markets by introducing new products
- Continue improving distribution reach across town class with specific milestones for stockist appointment, chemist/ wholesale reach, product reach etc.,
- Offering availability across channels, including Online
- Scaling up of new categories launched in the past 3-5 years
- Focus on maintaining the Gross margin ~60%
- Investing in brands and positive consumer experience
- Building on secular trends which are driving the Women's hygiene category

## Management Discussion and Analysis Report (contd.)

Your company has been positively driving the growth across its businesses as explained below (Values in Crs and Growth in %).



### (c) SEGMENT WISE OR PRODUCT WISE PERFORMANCE

	Rs In Lakhs	
	2018-19	2017-18
OTC:		
Net Sales	23,073.35	19,221.81
Segment Results	3,645.74	3,362.48
Beverages:		
Net Sales	2,075.98	2,621.54
Segment Results	(367.80)	(537.50)
Total Capital Employed	14,573.63	12,865.91

### (d) OUTLOOK

With the share of unorganised market in the FMCG sector falling, the organised sector growth is expected to rise with increased level of brand consciousness, also augmented by the growth in modern retail. Online portals are expected to play a key role for companies trying to enter the hinterlands.

Rural consumption has increased, led by a combination of increasing incomes and higher aspiration levels; there is an increased demand for branded products in rural India.

Amrutnjan's long term growth strategies aim to encompass the above viewpoint to scale up its expansion in these markets.

### (e) RISK AND CONCERN

The areas of concern for Amrutnjan include increase in prices of raw material and packing material which stood at the highest level during the year.

Also, the margin in napkin business was affected to a greater extent due to treatment of GST input tax credit as cost. Input cost has also increased due to Rupee's depreciation against US Dollar.

To partly offset the increased cost in key areas, focus was made to reduce logistics spend through induction of additional service providers at competitive tariff and through optimising the usage, the measures have returned positive results. The company will continue striving to minimise the cost by various means.

### (f) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Standard Operating Procedures (SOP) and Policies have been framed/updated from time to time for each process of business leaving little or no scope for loss from unauthorised access or use by anyone. Statutory compliances are monitored through a fully automated in-house alert system and adherence is certified by the Heads of Departments every quarter.

The Company has appointed an In-house Internal Auditor reporting to the Chairman & Managing Director who conducts periodical audit on internal control systems and provides suggestions for Process Improvement in each area of operation. The in-house auditor coordinates with the Internal Auditors to ensure successful closure of their audit observations.

The report of the internal auditors is placed before the Audit Committee every quarter and reviewed by the management. The internal auditors have a free right to access to all required information.

### (g) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company's Financial Performance with respect to operational performance can be enumerated as below:

	Rs In Lakhs	
	2018-19	2017-2018
Net Revenue from Operations	25,322.73	22,153.46
Other Income	713.09	602.45
Total Income	26,035.82	22,755.91
Total Expenditure	22,194.90	19,343.76
PBIDT	3,840.92	3,412.15
Depreciation	315.97	290.59
PBIT	3,524.95	3,121.56
Interest	8.22	12.68
Profit from continuing operations before tax and exceptional items	3,516.73	3,108.88
Exceptional item	-	186.68
Profit from continuing operations before tax	3,516.73	3,295.56
Current / Earlier year Income Tax	1,023.00	1,320.00
Deferred Tax	(6.04)	(29.36)
Profit from continuing operations	2,499.77	2,004.92
Loss from discontinuing operations (net of tax)	(48.34)	(7.62)
Profit for the period	2,451.43	1,997.30
Other comprehensive income (net of tax)	(56.55)	(25.46)
Total comprehensive income for the period	2,394.88	1,971.84
Key Financial Ratios (expresses as %)		
PBIDT/ Net Revenue from Operations	15.17%	15.40%
PBIT/ Net Revenue from Operations	13.92%	14.09%
PBT / Total Income (continuing operations)	13.51%	14.48%
PAT/Total Income (continuing operations)	9.60%	8.81%
PAT/Total Income (continuing & discontinued operations)	9.42%	8.78%





## Management Discussion and Analysis Report (contd.)

### QUALITY AND SAFETY IN AMRUTANJAN

1. Quality in Amrutanjan is a culture which is in-built in our all activities based on Quality management principles.
2. The purpose of our Quality Assurance is to safeguard not only the consumer's well-being but also to deliver product performance. It ensures that all operations associated with the manufacture of our products are of a standard that meets the consumer's expectations of safety and efficacy.
3. The processes we have built based on Quality Management system (ISO 9001 for OTC division), Food Safety Management Systems (ISO 22000 for F&B division) and six sigma methodology ensure the quality and safety of our products provided to the consumers. The products are designed to inbuilt Quality and Safety and all our processes are centric to achieve it.
4. External providers (Vendor) Qualification, audits and continuous monitoring of inputs is the focus to achieve best Quality output and consumer satisfaction.
5. The design of the containers and packaging process ensures AHCL uniqueness and pilfer proof to avoid counterfeit products.
6. The production and inspection Excellencies are designed to ensure safe and superior quality products as an output from our manufacturing locations.

#### Advanced Pain Management Centre (APMC)

The Centre has ensured safety for patients by adopting the NABH guidelines in all its functions and through policies and procedures that have been developed and implemented in-house. The systems followed for billing and operations are evaluated on periodical basis by the management team and corrective actions taken in timely manner.

### (h) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

#### HUMAN CAPITAL

The brand reputation and the culture of offering growth opportunities enable Amrutanjan to recruit and retain the best talents available in the industry. As on March 31, 2019, your Company had a strength of 644 employees (including OTC, Beverages and Advanced Pain Management Centre).

Our Performance Management System (PMS) focuses on the retention of high potential employees through skill development and succession Planning. Amrutanjan believes in transparent Performance Management System with rigorous process of measurement at all levels including Organization, Department and Individual performances and provide rewards based on the achievement at each level.

#### SOURCING

We recruit fresh minds from campuses of best colleges/universities apart from sourcing the experienced hands through rigorous selection process of screening at different levels before annexing them with Amrutanjan family. The past records, qualifications, experience, mental attitude to handle the assignment, history of long tenure are the various parameters considered during the course of recruitment process. Sourcing right talents particularly in technical and sales force continue to be the challenge for the company and the industry.

### LEADERSHIP

The management group is well informed of the organisation objectives and their role to carry their team along to achieve the long term vision of the Company. Periodical review by Heads of Departments, both with their team as well as with the management, ensures timely monitoring of actual achievement against target fixed. The company has developed an in-house operating mechanism of reviews / reports that guides and controls the pace and direction of the management initiatives.

### EMPLOYEE ENGAGEMENT

Higher the level of engagement among employees; higher the value of output. Amrutanjan has established a process of measuring the engagement levels among employees through a survey called the "PULSE", the report of which emphasis the areas of development which needs to be concentrated by the HR for better performance in the years to come. The scores of the last 5 years is given in a graphical representation:



### REWARDS AND RECOGNITION

The management constantly monitors and reviews the Incentive programs to ensure that it motivates the sales force towards achieving their targets. Sales Incentive policy was further reviewed and revised during the year to motivate the sales personnel to achieve their targets in four focussed products in alignment with the organisational objectives. Your company has a vibrant variable pay policy which takes into account both the company's performance as well as individual's performance while quantifying the variable pay thereby creating a win-win deal for the Company and the employee. Long Service of employees is being valued and recognized to encourage other employees to stay and build a long career within the company.

### RELATIONSHIP WITH UNION

Amrutanjan has maintained excellent relationship with its affiliated Union, Amrutanjan Health Care Limited Employees' Union. It enjoys cordial relationship with the Union and the Union representatives are taken into confidence on all IR issues so that no conflict arises between the union and the management. Your Management has successfully inked a long term settlement with the affiliated union during the year after the settlement discussions concluded amicably in just one sitting.

The Human Resources practices at Amrutanjan with the support of in-house Training & Development Wing is expected to provide right people at the right place to achieve the business targets in the year ahead.

## Management Discussion and Analysis Report (contd.)

### (i) DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS & RETURN ON NET WORTH:

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to provide details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios.

Given below are the key financial ratios identified by the Company including return on net worth:

Particulars	2018-19	2017-18
Debtors Turnover Ratio	8.32	7.77
Inventory Turnover Ratio	20.31	21.59
Interest Coverage Ratio *	428.83	246.18
Current Ratio	3.87	3.75
Debt Equity Ratio	0.19	0.20
Operating Profit Margin (%)	13.92%	14.19%
Net Profit Margin (%)	9.68%	9.08%
Return on Net Worth (%)	16.82%	15.52%

\* Variation due to reduction in Finance costs & Increase in Profit

There has not been any significant change in any of the other key financial ratios as compared to FY'18.

### (j) CORPORATE SOCIAL RESPONSIBILITY (CSR)

Amrutanjan has continued to invest in CSR projects that help to build a sustainable community development through improvement in infrastructure, education, health and animal welfare. These programs were mostly implemented through select non-profit organisations with excellent track record and commitment. Given below are the brief backgrounds of Societies through whom some major CSR activities were undertaken during the year:

- "People for Animals"(PFA) is India's largest animal welfare network who works to rescue and rehabilitate sick and needy animals. It organises shelters, ambulance services, sterilization programs, treatment camps and disaster rescue missions for animals. They also conduct education programs in schools to create awareness of animal welfare and protection, fight cases in court and lobby on animal issues in parliament.
- Sparsha Trust is a registered, charitable trust started in the year 2005 in Bengaluru. The trust is working for the holistic development of needy and vulnerable children focused on promotion and facilitation of child Rights. It is committed for the identification, rescue and rehabilitation of children from 6 to 18 years old. These children were living in the streets, or were abandoned, deprived, out of school, drug-addicted, victims of sexual abuse, begging, rag picking, running away, forced to work or trafficked. It also takes care

of children without parental care, single-parent children and children suffering from different types of exploitation in the society and neglected by the secure social system. Amrutanjan's CSR support would help to meet the tuition fee for some of the needy children and to purchase land for construction of shelter for homeless boys.

- IIMPACT, established in 2003 by Alumni of IIM, Ahmedabad, is a registered NGO with a vision to create a positive impact on the education of girl children from socially and economically disadvantaged sections of society. It encourages and enables girl children to become an independent thinker and learner. Over 60,000 girls are currently enrolled in IIMPACT's girl child education programme.
- Sevalaya, a charitable organisation established in 1988, is running free schools, hospitals, medical centres, old age homes, etc., at various places in Tamil Nadu. The Vision of Sevalaya is to serve the rural poor and transform them for an equitable, happy and fulfilled Society with an improved quality of life. Sevalaya provides free high quality education to over 2000 children in Mahakavi Bharathiyar Higher Secondary School located in their campus at Kasuva Village, Thiruninravur, Tamil Nadu. With Amrutanjan's CSR support, 10 units of toilets were constructed for girl students studying in the School.
- Amrutanjan, in association with Exnora International, has executed a Program on Plastic Ban Awareness as part of its CSR initiative wherein the detrimental effects of plastic to the environment was elucidated to employees and general public. This program was conducted around 10kms radius of our corporate office and the factory locations in and around Chennai. Through this activity, Exnora has conducted road shows and street plays advocating usage of bio-degradable material as a substitute to non-bio degradable plastic. In order to further motivate the public to use alternative to plastics, 2000 cloth bags have been distributed during the Program. The activity was well received by the public at all places through their involvement and participation.

More details of CSR spent during the year 2018-19 are listed in Annexure C of the Board's Report.

### 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.

For and on behalf of the Board

Place : Chennai  
Date : May 23, 2019

S Sambhu Prasad  
Chairman and Managing Director



## REPORT ON CORPORATE GOVERNANCE

## ANNEXURE - B

The Report for the financial year ended March 31, 2019 on compliance by the Company with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time is given below:

## I. OUR PHILOSOPHY ON CODE OF GOVERNANCE

Amrutanjan is committed itself to honesty and accountability. The commitment is reflected in all business activities of the Company besides reflecting in its relations with the customers, suppliers, investors, government, etc. The Directors and the Senior Management Personnel are expected to conduct themselves in line with the standards observed in the Company's code of conduct both in letter and spirit. The Company recognizes that all the decisions and actions will be taken in accordance with the code of conduct and to enhance long-term shareholder value. Considerable emphasis is placed on accountability in decision making and ethics in implementing them. We aim at providing complete transparency in our operations.

## II. BOARD OF DIRECTORS

## a. Changes during the Year

There was no change in the Board of Directors during the financial year ended March 31, 2019.

## b. (I) Composition, Category, Size of the Board

The Board of Directors of the Company is adequately balanced and comprises of an Executive Director, a Non- Executive Director and Independent Directors all of whom are professionals with considerable expertise and experience in their respective area of specialization. As on March 31, 2019, there are seven (7) Directors on the Board, out of which five (5) are Independent Directors (constituting 71% of the Board's strength) including a Woman Director. The remaining two Directors belong to Promoter Category, one being a Non- Executive Director and the other is the Executive Director designated as "Chairman & Managing Director".

The directorships held by the Directors are within the limits prescribed under Section 165 of the Companies Act, 2013, ("Act"). In compliance with Regulation 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, "SEBI LODR", none of the Independent Directors of the Company serve as an Independent Director in more than seven (7) listed entities or three (3) listed entities as the case may be; None of the Directors of the Board is a member of more than ten (10) Committees or a Chairman of more than five (5) Committees across all Companies in which he/she is a Director as per Regulation 26 of SEBI LODR. All Directors have made necessary disclosures as on March 31, 2019 regarding their Directorship and Committee positions occupied by them in other Companies.

The details of number of directorship, Committee membership, and attendance of each Director at the Board Meetings and the last Annual General Meeting of the Company are as follows:

Name of the Director & DIN	Category / Designation	No of Meetings of the Board Attended		No of Directorship held in other Public Companies#		No of Committee Membership held in other Companies @		Whether attended Last AGM (September 17, 2018)
		Held	Attended	Chair Person	Member	Chair Person	Member	
S Sambhu Prasad (DIN: 00015729)	Executive Director Chairman & Managing Director and Promoter	4	4	-	-	-	-	Yes
Dr. Pasumarthi S N Murthi (DIN : 00051303)	Non-Executive and Promoter Director	4	4	-	-	-	-	No
Dr. H B N Shetty (DIN : 00015465)	Non-Executive & Independent Director	4	4	-	-	-	-	Yes
Dr.(Ms.)Marie Shiranee Pereira (DIN: 05177560)	Non-Executive & Independent Director	4	4	-	-	-	-	Yes
Dr. S Vydeeswaran (DIN : 06953739)	Non-Executive & Independent Director	4	3	-	-	-	-	No
V Swaminathan (DIN: 06953687)	Non-Executive & Independent Director	4	4	-	-	-	-	Yes
G Raghavan (DIN :00820000)	Non-Executive & Independent Director	4	4	-	-	-	-	Yes



## REPORT ON CORPORATE GOVERNANCE (Contd.)

# 1) excludes directorships held on the boards of Private Companies, Foreign Companies and Section 8 Companies

@ Companies, Membership in Audit Committee and Stakeholders' Relationship Committee of other public companies are considered as per Regulation 26 of the SEBI (LODR) Regulations.

\* None of the directors on Board are related to each other as per the provision of Section 2(77) of the Companies Act 2013.

(ii) Business focus areas and Board competencies:

The Company has identified the following core skills/expertise/competencies that are required in the context of its business and sector for it to function effectively.

Entrepreneurial spirit	Entrepreneurial spirit is what drives business to stand out and excel. This is a trait we consistently seek in our Board and senior leadership team. This cannot be quantified by academic qualifications alone
Sales and Marketing	As a consumer goods(fast moving) health care company ,experience in developing strategies to grow sales and market share, build brand awareness and overall equity is a must
Manufacturing and operations management	We are a manufacturing company. Experience in large scale manufacturing across product lines and operations management is a requirement
Finance and Risk Management	Management of the finance function of an enterprise, and required know how in capital allocation, financial controls implementation, reporting of financial statements and related information, ability to advise the Board on risk management.
Research and Development	Relevant experience in research and development of raw materials, formulations and finished products in the natural space.
Leadership and organisational development	As a business where growth is driven by people, organisational development with a focus on human factors is a must.
Corporate Governance and Compliances	Knowledge and experience to guide the management in framing and implementing good governance practices and compliance management systems.

The current Board has members who are specialised in one or more of these areas and all the above listed skills/expertise/competencies are available with the Board.

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

During the Financial year 2018-19, the Board met four (4) times. The maximum time gap between any two board meetings was not more than 120 days. The Board Meetings were held on the following dates:

May 24, 2018	August 09, 2018	November 1, 2018	February 12, 2019
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d. Information supplied to the Board

The information as prescribed under Part A of Schedule II pursuant to Regulation 17(7) of SEBI LODR such as annual operating plans and budgets, quarterly results for the Company, minutes of meetings of audit committee and other committees of the board etc. have been placed before the Board for discussions and approval.

The date of the Board Meeting(s) is informed to all Directors well in advance and detailed agenda notes are sent to each Director at least seven (7) days before the Board Meeting. The agenda items inter-alia include secretarial & legal Compliance matters and financial reporting. Prior approval of the Board is obtained for circulating the agenda items with shorter notice for matters that form part of the Board and Committee agenda and are considered to be in the nature of Unpublished Price Sensitive Information (UPSI). A business review presentation is made at each Board Meeting to appraise the Directors on the performance of the Company. The Board provides strategic direction in improving the performance of the Company. Quarterly results, minutes of sub-committees, general notices of interest received from directors, annual budgets, legal compliance report, dividend proposals, authorizations for various business purposes are also placed and reviewed by the Board along with the senior management team of the Company.

e. Code of Conduct

The Board of directors of the Company has laid down Code of Conduct for the Directors and Senior Management Personnel (SMP) of the Company. The Code is available in the website of the Company at the given link - <https://www.amrutanjan.com/pdf/CODE-OF-CONDUCT-OF-AHCL1.pdf>. All the Directors and Senior Managerial Personnel have affirmed compliance with the Code of Conduct as on March 31, 2019. A declaration to this effect signed by the Chairman & 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 the initiatives taken to improve the standards of compliance.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### g. Familiarization Programme

The Company has a system in place pursuant to Regulation 25(7) of SEBI LODR to familiarize its Independent Directors about the operations and functions of the Company, its performance, the industry and business model of the Company, major macro economic factors affecting the business, regulatory scenario, etc. The senior management team gives a brief presentation on these areas during the Board Meetings. The details of the system are available in the Company's web link <https://www.amrutanjan.com/pdf/FR.pdf>.

### h. Meeting of Independent Directors

The Independent Directors met once (1) during the last year to inter-alia discuss the following:

- Performance of Non-Independent Directors and the Board as a whole
- Performance of the Chairman of the Company, taking into account the views of the other Directors.
- Quality, Quantity and timelines of flow of information between the Company and the Board which are necessary for the Board to perform its duties effectively.

The evaluation was done on parameters such as attendance, level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its stakeholders, etc. The Independent Directors have expressed their satisfaction on the performance and effectiveness of the Board.

### i. Prohibition of Insider Trading

Pursuant to provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, to preserve the confidentiality and to prevent misuse of Unpublished Price Sensitive Information (UPSI), the Company has adopted a revised Code for Prohibition of Insider Trading which is applicable to the Designated Persons of the Company effective from 1st April, 2019. The Code also provides for disclosures from the designated persons as required under the Regulations.

### j. Performance Evaluation Criteria

In terms of the requirement under the Companies Act, 2013 and the Listing Regulations, the Board carried out evaluation of its own performance, the Directors individually and evaluation of working of the Committees of the Board during the financial year 2018-19. The structured evaluation process comprises of various aspects relating to the functioning of the Board and its Committees, number of Committees and their roles, frequency of meetings, level of participation, performance of duties and obligations and implementation of good corporate governance practices. The questionnaire of evaluation is a key part of the process of reviewing the functioning and effectiveness of each Board member.

The key roles expected to be performed by the Independent Directors relate to governance, control and guidance. The performance indicators of the Independent Directors include contribution to improve corporate governance practices, active participation in Board /Committee meetings and commitment to long-term strategic planning

The Board has expressed satisfaction over the performance of all the Directors, its own and its Committees which reflected the overall engagement of the Directors, the Board and its Committees with the Company.

### k. Shareholding of Non-Executive Directors

Sl.No	Name of the Non-executive Director	Category	No of shares held as on March 31, 2019
1.	Dr. Pasumarthi S N Murthi	Promoter	25,44,530
2.	Dr. H B N Shetty	Independent Director	-
3.	Dr. (Ms.) Marie Shiranee Pereira	Independent Director	-
4.	Dr. S Vydeswaran	Independent Director	-
5.	G Raghavan	Independent Director	28,000
6.	V Swaminathan	Independent Director	500

## III. AUDIT COMMITTEE

### Composition

In Compliance with the provisions of Section 177 of the Companies Act, 2013 and in accordance with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015, the Company has a qualified and independent Audit Committee consisting of five (5) Directors.

All the members of the Audit Committee are financially literate and have good knowledge of finance and business management. The Committee was chaired by Mr. HBN Shetty, Non- Executive & Independent Director until 1-11-2018 and by Mr. V. Swaminathan, Non- Executive & Independent Director, after 01-11-2018. Mr. V. Swaminathan was nominated as the Chairman of the Committee when it was reconstituted on 01-11-2018. Mr. V. Swaminathan will be present at the Annual General Meeting to answer the shareholder queries as mandated under Regulation 18 of the SEBI (LODR) Regulations, 2015.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

The meetings of the Audit Committee are attended by the Chief Financial Officer, Statutory Auditors, Internal Auditors and the Cost Auditor; whenever required, in the capacity of Invitee. The draft minutes of each Audit Committee meeting are placed in the meeting of the Board held subsequently. The Company Secretary is the Secretary to the Committee.

### Terms of Reference

The terms of reference for the Audit Committee basically flows from and covers all the areas as stipulated under Section 177 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 18 of SEBI (LODR) Regulations, 2015. This inter-alia includes the following:

- Oversight of Company's financial reporting processes.
- Reviewing the quarterly / annual financial results, financial statements before submission to the Board for approval, with particular reference to accounting policies & procedure, accounting standards, related party transactions.
- Recommending to the Board, the appointment / re-appointment of Statutory Auditors and Internal Auditors and fixation of audit fees.
- Discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any.
- Approving internal audit plan and reviewing efficacy and adequacy of internal control systems /function.
- Discussion with internal auditors and review of internal audit reports at quarterly intervals.
- to review and monitor the adequacy and effectiveness of internal control systems to ensure compliance under SEBI (PIT) Regulations, 2015 as well as Company's Code of Conduct/Policies framed under these Regulations;
- to order for an enquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information (UPSI) and recommend suitable disciplinary action as may be required".

The audit committee reviews the quarterly unaudited / audited annual financial results of the Company. The unaudited results are subjected to limited review by the statutory auditors of the Company. The statutory auditors are eligible to issue limited review report as the audit firm has been subjected to peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of ICAI. The Audit Committee recommends payments to statutory auditors for audit and non-audit services/and for internal auditors. All mandatory information under Part C of Schedule II pursuant to Regulation 18 of SEBI LODR is reviewed by the Committee.

### Meetings & Attendance

During the year under review, the Audit Committee has met four (4) times on May 24, 2018, August 09, 2018, November 01, 2018, February 12, 2019 and the attendance of the members are as below :

S.No	Name of the Member	Category	No of Meeting Attended
1.	Dr. H B N Shetty	Non-Executive & Independent Director ( Chairperson till 1-11-2018 and Member from 02-11-2018)	4
2.	S Sambhu Prasad	Member, Executive and Promoter Director	4
3.	Dr.(Ms.) Marie Shiranee Pereira	Member, Non-Executive & Independent Director	4
4.	V Swaminathan	Member, Non-Executive & Independent Director (Member till 1-11-2018 and Chairperson from 02-11-2018)	4
5.	G. Raghavan	Non-Executive & Independent Director ( Member from 02-11-2018)	1

## IV. NOMINATION and REMUNERATION COMMITTEE

### (a) Composition & Attendance

Nomination and Remuneration Committee (NRC) has been constituted by the Board as per the requirements of Section 178(1) of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015 which comprises of three (3) Directors. During the year under review, the Committee met thrice (3) on May 24, 2018, August 09 2018 and November 1, 2018 which was chaired by Dr. H.B.N. Shetty, Non- Executive & Independent Director. Mr. G. Raghavan was nominated as the Chairman when the Committee was reconstituted on 01-11-2018. The Company Secretary is the Secretary to the Committee. The attendance details of the members is as follows:

S.No	Name of the Member	Category	No of Meeting Attended
1.	Dr. H B N Shetty	Non-Executive & Independent Director	3
2.	Dr. Pasumarthi S N Murthi	Member, Non-Executive and Promoter Director	3
3.	Dr. S Vydeeswaran	Member, Non-Executive & Independent Director	2





## REPORT ON CORPORATE GOVERNANCE (Contd.)

### (b) Terms of Reference

The NRC has been constituted to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

The Committee has formulated a criteria for determining qualifications, positive attributes and independence of a director and adopted a Policy relating to the Remuneration of the Directors, Key Managerial Personnel and other members of the Senior management. The remuneration policy is in consonance with the existing industry practice and is also aligning with the provisions of the Companies Act, 2013.

### V) REMUNERATION TO DIRECTORS

The disclosures with respect to remuneration paid to Mr. S Sambhu Prasad, Chairman & Managing Director, have been made in the Board's Report.

Shareholders at the 78th Annual General Meeting held on September 18, 2015 approved a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 to be paid and distributed among some or all of the directors of the Company (other than the Executive Directors) in a manner decided by the Nomination and Remuneration Committee and this payment will be made with respect to the profits of the Company for each year.

The commission for Non-Executive Directors is determined based on the performance evaluation and recommendation of the Remuneration Committee and finally approved by the Board. The criteria, inter-alia, includes attendance in Board & Committee meetings, participation as Chairman or Member in the Committees, contribution in corporate planning, etc. The commission & sitting fees paid for the year ended March 31, 2019 to the Non-Executive Directors are as follows:

S.No	Name of the Director	Commission (in Rs.)	Sitting Fees (in Rs.)	Net Amount (in Rs.)
1.	Dr. Pasumarthi S N Murthi	2,70,000	1,50,000	4,20,000
2.	Dr. H B N Shetty	4,70,000	2,10,000	6,80,000
3.	Dr. (Ms.) Marie Shiranee Pereira	3,20,000	1,20,000	4,40,000
4.	Dr. S Vydeeswaran	3,70,000	1,20,000	4,90,000
5.	Mr. V Swaminathan	7,00,000	1,20,000	8,20,000
6.	Mr. G Raghavan	7,00,000	90,000	7,90,000
	TOTAL	28,30,000	8,10,000	36,40,000

No other remuneration was paid to Non-Executive Directors other than the above.

### VI. STAKEHOLDERS' RELATIONSHIP COMMITTEE

#### a) Composition & Attendance

The Stakeholders Relationship Committee (SRC) has been constituted by the Board as per the requirements of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulation, 2015 and comprises of three (3) Directors. During the year, the committee met four (4) times on April 17, 2018, August 09, 2018, November 1, 2018, February 12, 2019 which was chaired by Dr. H.B.N. Shetty, Non-Executive & Independent Director till 1-11-2018 and by Dr. S Vydeeswaran, Non-Executive & Independent Director from 02-11-2018. Dr. S. Vydeeswaran, was nominated as the Chairman of the Committee when it was reconstituted on 01-11-2018. The Company Secretary is the Secretary to the Committee. The attendance details of the members are as follows:

S.No	Name of the Member	Category	No of Meeting Attended
1.	Dr. H B N Shetty	Non-Executive & Independent Director	4
2.	Dr. S Vydeeswaran	Non-Executive & Independent Director	3
3.	Dr. Pasumarthi S N Murthi	Member, Non-Executive & Promoter Director	4

Name and Designation of the Compliance Officer : M. Srinivasan - Company Secretary

#### b) Terms of Reference

The terms of reference of the Stakeholders Relationship 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 Six (6). As on March 31, 2019, no investor grievance has remained unattended/ pending for more than thirty days.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### VII. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

#### Composition

The CSR Committee has been constituted in accordance with the provisions of Section 135 of the Companies Act, 2013 and consists of three (3) members. During the year, the committee met two (2) times on May 24, 2018 and November 01, 2018. Dr. H.B.N. Shetty was elected as Chairman in all the meetings. The Company Secretary is the Secretary to the Committee. The attendance details of the members are as follows:

S.No	Name of the Member	Category	No of Meeting Attended
1.	Dr.H B N Shetty	Non-Executive & Independent Director	2
2.	S Sambhu Prasad	Member, Executive & Promoter Director	2
3.	Dr. S Vydeeswaran	Non-Executive & Independent Director	1

Some of the key initiatives taken by the Company during the year under review are explained in "Annexure C".

### VIII. GENERAL BODY MEETINGS

#### a) Details of Annual General Meeting(s) held during the last three years are as under :

Year	Day / Date	Venue	Time	Special Resolutions Passed
2015-16	September 22, 2016 (Seventy Ninth AGM)	Narada Gana Sabha (Sathguru Gnananandha Hall), No:314 (Old No:254), T.T.K.Road, Chennai-18	10.30 A.M	Approval for adoption of new Articles of Association under Section 14 of the Companies Act, 2013
2016-17	September 21, 2017 (Eightieth AGM)		10.30 A.M	Re-appointment of 3 Independent Directors of the Company for a second term of Five (5) years pursuant to Section 149, 150 and 152
2017-18	September 17, 2018 (Eighty first AGM)		10.30 A.M	Re-appointment of 2 Independent Directors of the Company for a second term of Five (5) years pursuant to Section 149, 150 and 152 of the Companies Act, 2013  Re-appointment of a Non-Executive Directors of the Company for a period of one year pursuant Section 149, 152(6) of the Companies Act, 2013 and Regulation 17(1A) of SEBI (LODR) (Amendment) Regulations 2018.  For continuation of office of one Independent Director pursuant to Regulation 17(1A) of SEBI (LODR) (Amendment) Regulations 2018.

#### b) Special Resolutions passed through Postal Ballot during the year 2018-19:

During the year the Company has approached the Shareholders twice for their approval through Postal Ballot. The details of postal ballot are as follows:

Particulars of Resolution	Date of passing the Resolution	Results
Sub Division of Equity Shares of the Company from 1,46,15,315 equity shares of Rs.2 each to 2,92,30,630 equity shares of Re.1 each/- and alteration of object and capital clause of Memorandum of Association of the Company.	03/04/2018	Special Resolution passed with Requisite Majority
Re appointment of Mr. S Sambhu Prasad (DIN:00015729) as the Chairman and Managing Director of the Company for the period from 01.04.2019-31.03.2024	19/12/2018	Special Resolution passed with Requisite Majority

The details of voting pattern of the above Postal Ballots are given in Company's web-link - <https://www.amrutanjan.com/postal.html>

#### Scrutinizer:

Mr. P. Sriram of M/s. P.Sriram & Associates, Practising Company Secretaries, was appointed as Scrutinizer for the above-mentioned Postal Ballots to conduct the same in fair and transparent manner.

#### c) Passing of Special Resolutions through Postal Ballot, during the year 2019-20:

Your Company does not foresee any event requiring approval of Shareholders by way of Postal ballot for the year 2019-20. In case of any requirement the Company shall comply with the provisions of Companies act 2013 and the rules made thereunder.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### IX. 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 of the Company are listed/traded and are also displayed on the Company's web link - <https://www.amrutanjan.com/financials.html>. Generally the results are published in Financial Express (English) and Malai Sudar (Tamil) newspapers 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, Board's 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.: [shares@amrutanjan.com](mailto:shares@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)

### X. GENERAL SHAREHOLDER INFORMATION

Particulars	Description								
AGM date, time and venue	Wednesday 25th September 2019 at 10.30 AM at Narada Gana Sabha (Sathguru Gnananandha Hall), No:314 (Old No:254), T.T.K.Road, Chennai-600018								
Financial Year	2018-19								
Financial Calendar	<table border="1"> <tr> <td>Quarter 1</td><td>1<sup>st</sup> April to 30<sup>th</sup> June</td></tr> <tr> <td>Quarter 2</td><td>1<sup>st</sup> July to 30<sup>th</sup> September</td></tr> <tr> <td>Quarter 3</td><td>1<sup>st</sup> October to 31<sup>st</sup> December</td></tr> <tr> <td>Quarter 4</td><td>1<sup>st</sup> January to 31<sup>st</sup> March</td></tr> </table>	Quarter 1	1 <sup>st</sup> April to 30 <sup>th</sup> June	Quarter 2	1 <sup>st</sup> July to 30 <sup>th</sup> September	Quarter 3	1 <sup>st</sup> October to 31 <sup>st</sup> December	Quarter 4	1 <sup>st</sup> January to 31 <sup>st</sup> March
Quarter 1	1 <sup>st</sup> April to 30 <sup>th</sup> June								
Quarter 2	1 <sup>st</sup> July to 30 <sup>th</sup> September								
Quarter 3	1 <sup>st</sup> October to 31 <sup>st</sup> December								
Quarter 4	1 <sup>st</sup> January to 31 <sup>st</sup> March								
Date of Book Closure	19.09.2019 to 25.09.2019 (both days inclusive)								
Registered Office	No.103, (Old No.42-45) Luz Church Road, Mylapore, Chennai – 600 004								
Website	<a href="http://www.amrutanjan.com">www.amrutanjan.com</a>								

#### Listing on Stock Exchanges

The Company's shares are listed on the National Stock Exchange of India Limited (NSE), Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051. The shares of the Company are also permitted to be traded under the permitted securities category on the Bombay Stock Exchange Limited (BSE). The Company has paid the Listing Fee to the National Stock Exchange and there are no dues pending.

#### Stock code/Scrip code & ISIN No:

S.No	Name of the Exchange	Scrip code
1.	Bombay Stock Exchange Limited	590006
2.	National Stock Exchange of India Limited	AMRUTANJAN
3.	ISIN for Dematerialized Equity shares (NSDL and CDSL)	INE098F01031



## REPORT ON CORPORATE GOVERNANCE (Contd.)

Market Price Data:

Stock Price data: Monthly High &amp; Low during FY 2018-19:

Month	Bombay Stock Exchange Ltd (BSE) (in Rs. per Share)		National Stock Exchange of India Ltd (NSE) (in Rs. per Share)	
	Month's high	Month's Low	Month's high	Month's Low
April 2018	601.80*	280.60	599.95*	279.95
May 2018	296.00	262.00	296.95	268.15
June 2018	282.30	235.10	282.00	232.55
July 2018	290.50	270.00	292.00	267.55
August 2018	359.90	238.10	360.00	240.00
September 2018	338.00	245.00	339.00	242.00
October 2018	290.00	240.00	293.00	238.75
November 2018	269.90	242.00	269.80	243.10
December 2018	304.00	236.05	304.70	236.20
January 2019	334.80	274.50	335.00	273.60
February 2019	318.75	273.55	317.80	275.35
March 2019	357.90	292.70	358.00	292.80

\*The face value of equity shares was Rs.2 each which was split into two shares of Re 1 each during April 2018.

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

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. As on March 31, 2019, no Equity Shares were pending for transfer.

On a half-yearly basis the compliance with the share transfer formalities is audited by a Practising Company Secretary (PCS) in terms of Regulation 40(10) of SEBI (LODR) with the stock exchanges and a certificate to this effect is filed with the stock exchanges. Also reconciliation of share capital audit in terms of regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 is taken up on a quarterly basis and the report of the PCS is filed with the stock exchanges certifying that the total listed capital of the Company is in agreement with the total number of shares in physical and dematerialized form and that there is no difference between the issued and the listed capital of the Company.

Distribution of Shareholding as on March 31, 2019

Shareholding	Shareholders		Share Amount	
	Numbers	% to total	In Rs.	% to total
1 - 5000	19,768	98.43	51,57,175	17.64
5001 - 10000	156	0.78	11,50,841	3.94
10001 - 20000	77	0.38	10,99,736	3.76
20001 - 30000	33	0.16	8,31,745	2.85
30001 - 40000	7	0.04	2,40,464	0.82
40001 - 50000	10	0.05	4,72,736	1.62
50001 - 100000	14	0.07	9,66,223	3.30
100001 and above	19	0.09	1,93,11,710	66.07
Total	20,084	100.00	2,92,30,630	100.00



## REPORT ON CORPORATE GOVERNANCE (Contd.)

Distribution of shares by category as on March 31, 2019

Category	No of shares held	Percentage(%)
Promoters	1,46,22,110	50.02
General public and others	1,06,91,559	36.58
Body corporate	10,29,582	3.52
NRIs	4,69,829	1.61
Banks/FI	89,796	0.31
FII/FPI	5,63,562	1.93
Trusts	1,250	0.00
Clearing Member	1,89,050	0.65
Mutual Funds	15,45,392	5.29
Directors/ Relatives	28,500	0.09
<b>TOTAL</b>	<b>2,92,30,630</b>	<b>100.00%</b>

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 National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL). As on March 31, 2019, Equity shares representing 95.38% of the total number of shares are in dematerialized form.

Particulars	As on March 31, 2019*	% to Total Capital	As on March 31, 2018**	% to Total Capital
Physical	13,50,163	4.62%	7,92,268	5.42%
Demat	2,78,80,467	95.38%	1,38,23,047	94.58%
<b>Total</b>	<b>2,92,30,360</b>	<b>100%</b>	<b>1,46,15,315</b>	<b>100.00%</b>

\* Face Value Re.1/-

\*\* Face Value Rs.2/-

Dividend

The Board at its meeting(s) held on November 1, 2018 and February 12, 2019 had approved interim dividend of Rs. 1.10/- per equity share (Re. 0.55/- each per equity share of Rs. 1/- in each meeting) on the equity shares of the Company which was paid on November 16, 2018 and February 26, 2019 respectively.

Further, in the meeting held on May 23, 2019, the Board has recommended payment of final dividend of Rs. 1.05/- per equity share of Re. 1/- each. The dividend if approved by the shareholders will be paid within 30 days from the date of declaration.

Unpaid / Unclaimed Dividends and Transfer to IEPF:

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend which remain unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

During the year, the Company had transferred to IEPF an unclaimed dividend of Rs. 5,41,320 for the financial year ended 2010-11.

Further the Company had filed with Registrar of Companies, the details of unpaid and unclaimed dividends lying with the Company as on the date of last Annual General Meeting and the same has been uploaded on the website of the Company <https://www.amrutanjan.com/si.html>

Unclaimed Shares

Pursuant to the provisions of Section 124(6) and 125 of the Companies Act, 2013 read with Investor Education and Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company is required to transfer shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years or more.

During the year the Company has initiated transfer of shares to IEPF Authority as detailed under:

Years from which dividend has remained unclaimed/unpaid for seven consecutive years	No of shares
2010-11(Interim Dividend)	811
2010-11(Final Dividend)	1,986

The shareholders, however, may claim the said shares along with corporate actions accrued by following the procedure prescribed the IEPF authority.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Intimation in regard to the shares relating to unclaimed dividend of upcoming years which are liable to transfer to IEPF Authority would be sent to all Shareholders, at their latest known addresses. In accordance with the said rules, the requisite details would be made available on the web-link <https://www.amrutanjan.com/si.html>. The concerned Shareholders are requested to claim their dividend before the due date of transfer of shares to IEPF.

Unclaimed Shares Suspense Account:

The Company is in possession of unclaimed share certificates after the share split done in 2018. The Company has commenced the process of dealing with such unclaimed shares as per procedure laid down in Regulation 39(4) read with Schedule VI of SEBI (LODR) Regulations, 2015.

### Plant Location

OTC Division		Beverage Division
Plot No.37, 38 & 39, SIDCO Pharmaceutical Complex, Alathur Village, Thiruporur Taluk, Kancheepuram District, Tamil Nadu 603 110	Plot No:14, Industrial Development Area, Uppal, Hyderabad- 500 039.	160/1-A, Aranvoyal Village, Tiruvallur Taluk & District Tamil Nadu - 602 025.

Address for correspondence:

For transfer/dematernalization 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 Tele No: (044) 28460390, Fax No. 044- 28460129 Email: investor@cameoindia.com	To the respective Depository participant of the Beneficial owners

## XI. OTHER DISCLOSURES

- Details of transactions of material nature with any of the related parties as specified in IND AS 24 - Related Party Disclosures have been reported in the notes on accounts.
- 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.
- The Company has adopted a Whistle Blower policy and has not denied access to any personnel to approach the Management or the Audit Committee on any issue.
- The Company has complied with Clause 2(I) of Para C of Schedule V of SEBI LODR and confirm that Independent Directors fulfil the conditions specified in these regulations and are independent of the Management.
- Details of compliance with Mandatory Requirements:
  - Code of Conduct:  
The Company has laid down procedures to be followed by the Members of the Board and Senior Management Personnel for ethical professional conduct.
  - CEO / CFO Certification:  
The CEO / CFO Certification of the Financial Statements and the Cash Flow Statement for the year under review forms part of the Annual Report.
  - A Certificate from Practising Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in 34(3) of SEBI (LODR) Regulations, 2015 forms part of this Report.
  - A Certificate from Practising Company Secretary confirming the eligibility of the Directors forms part of this Report.
- The web link where policy on dealing with related party transactions is available at <https://www.amrutanjan.com/policy.html>
- The Internal auditors of the Company directly submit their report to the Audit Committee every quarter.
- The Company has duly complied with the requirements of Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015.





## REPORT ON CORPORATE GOVERNANCE (Contd.)

### COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LODR) Regulations, 2015

We, S Sambhu Prasad, Chairman and Managing Director and N Swaminathan, Chief Financial officer of the Company, do hereby confirm and certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and to the best of our knowledge and belief that:
  - (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 transactions 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 we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For AMRUTANJAN HEALTH CARE LIMITED

Place : Chennai  
Date : May 23, 2019

S SAMBHU PRASAD  
Chairman & Managing Director

N SWAMINATHAN  
Chief Financial Officer

## 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, 2019 as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Regulations.

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

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

Place : Chennai  
Date : May 23, 2019

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### DECLARATION ON CODE OF CONDUCT

As provided under SEBI (LODR) Regulations, 2015, I hereby declare that the Board Members and Senior Management have affirmed compliance with the Code of Conduct of Board of Directors and the Senior Management for the year ended March 31, 2019.

Place : Chennai  
Date : May 23, 2019

S Sambhu Prasad  
Chairman & Managing Director

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## REPORT ON CORPORATE GOVERNANCE (Contd.)

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of AMRUTANJAN HEALTH CARE LIMITED  
NO.103, (OLD NO.42-45) LUZ CHURCH ROAD,  
MYLAPORE CHENNAI TN 600004.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. AMRUTANJAN HEALTH CARE LIMITED having CIN: L24231TN1936PLC000017 and having registered office at No.103, (Old No.42-45) LUZ Church Road, Mylapore Chennai 600004 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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.

Sl.No.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY
1	Hanehallibhandimat Narayan Shetty	00015465	31/07/2003
2	Sambhuprasad Sivalenka	00015729	01/04/2009
3	Sathyanarayana Pasumarthi Murthi	00051303	05/08/1989
4	Raghavan Govindan	00820000	15/05/2015
5	Marie Shiranee Pereira	05177560	02/11/2011
6	Swaminathan Vembu	06953687	15/05/2015
7	Vydeeswaran Sambasivam	06953739	22/09/2014

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is only to express an opinion on these based on my verification.

Place : Chennai  
Date : May 23, 2019

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



## Annexure Forming part of the Board's Report

## ANNEXURE - C

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

1. A brief outline of the company's CSR Policy, including overview of projects, activities, programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company's CSR Policy is to enhance the living standards of the Society, ensure social economic development, and environmental sustainability and to be a socially responsible citizen. The projects and programmes undertaken are within the framework of the Schedule VII of the Companies Act, 2013 and as per the CSR policy of the Company. The web- link's: I. For the CSR Policy is <https://www.amrutanjan.com/csr-policy.html> and II. For the projects and programs undertaken during the year <https://www.amrutanjan.com/annual.html> (Annual Report link)

2. The Composition of the CSR Committee:

S.No	Name of the Director	Designation
1.	Dr. H B N Shetty	Non- Executive Independent Director
2.	Dr. S Vydeeswaran	Non- Executive Independent Director
3.	S Sambhu Prasad	Executive and Promoter Director

3. Average net profit of the company for last three financial years: Rs. 3,320.12 lakhs.
4. Prescribed CSR Expenditure (2 % of the average net profit of the last 3 financial years) : Rs. 66.40 lakhs.
5. Details of CSR spent during the financial year:
- (a) Total amount spent for the financial year: Rs. 67.37 lakhs.
- (b) Amount unspent, if any: NIL
- (c) In case the company has failed to spend the entire amount, reasons thereof for not spending the amount : Not applicable
- (d) Manner in which the amount spent during the financial year is detailed below (all amounts in Rupees) :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in Rs.)	Amount spent on the projects / Programs Sub-heads: (1) Direct expenditure on projects / programs. (2) Overheads: (in Rs.)	Cumulative expenditure upto to the reporting period Amount spent: (in Rs.)	Amount Spent: Direct or through implementing agency
1.	Rescue and Rehabilitation of sick and needy animals	Animal welfare	Chennai, Tamilnadu	13,20,000/-	13,20,000/-	13,20,000/-	Implementing agency - People For Animals (PFA)
2.	Education for girl children from socially and economically disadvantaged sections of society	Women Empowerment	Kanpur-UP Raigarh- Chattisgarh Alwar-Rajasthan Sheopur- MP	5,00,000/-	5,00,000/-	18,20,000/-	Implementing agency - IIMPACT
3.	Construction of 10 units of toilets for girl students in Sevalaya School	Education	Tiruninravur Tamilnadu	7,21,015/-	7,21,015/-	25,41,015/-	Implementing agency - Sevalaya
4.	Support for running BL Shed Health Clinic	Health Care	Kodaikanal, Tamil Nadu	88,200/-	88,200/-	26,29,215/-	Implementing agency - ASSCOD
5.	Construction of Computer Centre for Students in Govt Middle School	Education	Alathur, Kancheepuram	12,99,180/-	12,99,180/-	39,28,395/-	Direct



## Annexure Forming part of the Board's Report

## ANNEXURE - C

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in Rs.)	Amount spent on the projects / Programs Sub-heads: (1) Direct expenditure on projects / programs. (2) Overheads: (in Rs.)	Cumulative expenditure upto to the reporting period Amount spent: (in Rs.)	Amount Spent: Direct or through implementing agency
6.	Purchase of land towards construction of multi dimensional residential centre for underprivileged boys and towards Tuition fees	Education	Bangalore Karnataka	10,50,000/-	10,50,000/-	49,78,395/-	Implementing agency – Sparsha Trust
7.	Support for laying of tiles in Auditorium of Govt Boys Higher Secondary School	Education	Thiruporur, Kancheepuram	4,84,500/-	4,84,500/-	54,62,895/-	Direct
8.	Support for Construction of Kitchen with Store Room for children in Dheena Bandhu Ashram	Education	Walajapet, Vellore Tamilnadu	4,54,300/-	4,54,300/-	59,17,195/-	Direct
9.	Awareness Campaign and road shows for eradication of plastics	Environment Protection	Chennai, Tamilnadu	3,20,000/-	3,20,000/-	62,37,195/-	Implementing agency - EXNORA International
10.	Providing training on tailoring skills for underprivileged women	Women Empowerment	Mamallapuram, Tamil nadu	1,50,000/-	1,50,000/-	63,87,195/-	Implementing agency - Venba Trust
11.	Providing value based education for poor children in select villages	Education	Chennai, Tamilnadu	2,50,000/-	2,50,000/-	66,37,195/-	Implementing agency - Single Teacher School (Unit of Swami Vivekananda Rural Development Society)
12.	Rehabilitation and well being of special children	Health Care	Chennai, Tamilnadu	1,00,000/-	1,00,000/-	67,37,195/-	Implementing agency – Samarpana Trust
			TOTAL	67,37,195/-	67,37,195/-		

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report - Not Applicable.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

S Sambhu Prasad  
(Member)

Dr. H B N Shetty  
(Member)

Dr. S Vydeeswaran  
(Chairperson)

## Annexure Forming part of the Board's Report

## ANNEXURE - D

## Particulars of Directors, Key Managerial Personnel and Employees for the year 2018-19

A) Disclosure as per Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Qualification Rules), 2014

S.No	Particulars	Details		
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	S Sambhu Prasad Chairman-and Managing Director	33.09 times (33.09:1)	
		Dr. Pasumarthi S N Murthi Non- Executive Director	1.08 times (1.08:1)	
		Dr. H B N Shetty Non- Executive Independent Director	1.75times (1.75:1)	
		Dr.(Ms.) Marie Shiranee Pereira Non- Executive Independent Director	1.13 times(1.13:1)	
		Dr. S Vydeeswaran Non- Executive Independent Director	1.26 times(1.26:1)	
		G Raghavan Non- Executive Independent Director	2.03 times (2.03:1)	
		V Swaminathan Non- Executive Independent Director	2.11 times (2.11:1)	
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Name	Designation	% Increase / (Decrease) in CTC
		S Sambhu Prasad	Chairman and Managing Director	0.88%
		Dr. Pasumarthi S N Murthi	Non- Executive Director	5.00%
		Dr. H B N Shetty	Non- Executive Independent Director	3.03%
		Dr.(Ms.) Marie Shiranee Pereira	Non- Executive Independent Director	4.76%
		Dr. S Vydeeswaran	Non- Executive Independent Director	(5.77%)
		G Raghavan	Non- Executive Independent Director	16.18%
		V Swaminathan	Non- Executive Independent Director	13.89%
		N Swaminathan	Chief Financial Officer	10.00%
		M Srinivasan	Company Secretary	–
3.	The percentage increase in the median remuneration of employees in the financial year:	Approximately 21.37%		
4.	The number of permanent employees on the rolls of the Company	644 (Inclusive of Trainees)		





## Annexure Forming part of the Board's Report

## ANNEXURE - D

5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are exceptional circumstances for increase in the managerial remuneration:	Average increase in remuneration is around 2.47% for Employees other than Managerial Personnel and around 5.35% for Managerial Personnel
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes

B) Statement showing details of Employees of the Company as per Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate exhibit forming part of this report and is available on the website of the Company at [www.amrutanjan.com](http://www.amrutanjan.com). Having regard to the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013 the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee.

For and on behalf of the Board

Place : Chennai  
Date : May 23, 2019

S Sambhu Prasad  
Chairman and Managing Director

## Annexure Forming part of the Board's Report

## ANNEXURE - E

## Form No.MR-3

SECRETARIAL AUDIT REPORT  
FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
Amrutanjan Health Care Limited  
103, Old No. 42-45, Luz Church Road, Mylapore, Chennai-600 004

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Amrutanjan Health Care Limited (hereinafter called the "Company/AHCL"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amended from time to time;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 in relation to Companies Act and dealing with client;
  - (e) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015

Other Specific Laws applicable to the Company

- 6) Drug & Cosmetics Act, 1940.
- 7) Food Safety and Standards Act, 2006 and Rules 2011 with allied rules and regulations.
- 8) The Hazardous Wastes (Management and Handling) Rules 1989;
- 9) The Prevention of Food Adulteration Act, 1954;
- 10) The Legal Metrology Act, 2009;
- 11) The Legal Metrology (Packaged Commodities) Rules, 2011;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Equity Listing Agreements entered into by the Company with National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.



## Annexure Forming part of the Board's Report

I have examined the systems and processes of the Company in place to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with other applicable laws on the operation of the Company and the rules made thereunder.

I further report that during the audit period, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc except the following:

- i) Special resolution passed for reappointment of Dr. Pasumarthi S N Murthi who retires by rotation pursuant to the provisions of Section 149 of the Companies Act, 2013 read with Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018
- ii) Special resolution passed for reappointment of Mr. G. Raghavan as Independent Director
- iii) Special resolution passed for reappointment of Mr. V. Swaminathan as Independent Director
- iv) Special resolution passed for continuation of term of Mr. Hanehallibhandimat Narayan Shetty as Independent Director pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018
- v) Resolution passed for subdivision of Equity shares pursuant to the provisions of Section 61(1)(d), 64 and all other applicable provisions, if any, of the Companies Act, 2013
- vi) Special Resolution passed for Alteration of Object Clause of Memorandum of Association
- vii) Special resolution passed for Reappointment of Mr. Sambhu Prasad as Chairman and Managing Director of the Company and fix remuneration

For P Sriram & Associates

Place : Chennai  
Date : May 23, 2019

P SRIRAM  
FCS No. 4862  
C P No. 3310

## Annexure A

To  
The Members  
Amrutanjan Health Care Limited  
103, Old No. 42-45, Luz Church Road, Mylapore, Chennai – 600 004

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For P Sriram & Associates

Place : Chennai  
Date : May 23, 2019

P SRIRAM  
FCS No. 4862  
C P No. 3310







## Annexure Forming part of the Board's Report

### IV- Shareholding Pattern (Equity Share Capital as a percentage breakup of Total Equity)

#### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2018] Rs.2 per share				No. of Shares held at the end of the year [As on March 31, 2019] Re.1 per share			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
A. Promoters								
(1) Indian								
a) Individual/ HUF	73,08,845	2,210	73,11,055	50.02	1,46,17,690	4420	1,46,22,110	50.02
b) Central Govt	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-
Directors and their Relatives	-	-	-	-	-	-	-	-
Sub – total (A) (1):	73,08,845	2,210	73,11,055	50.02	1,46,17,690	4420	1,46,22,110	50.02
(2) Foreign								
a) NRIs- Individuals	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-
Sub – total(A) (2):-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A1)+(A2)	73,08,845	2,210	73,11,055	50.02	1,46,17,690	4420	1,46,22,110	50.02
B. Public Shareholding								
1. Institutions								
a) Mutual Funds	3,49,253	-	3,49,253	2.39	15,45,392	0	15,45,392	5.29
b) Banks / FI	22,295	250	22,545	0.15	89,296	500	89,796	0.31
c) Central Govt / State Govt(s)	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-
f) FIIs	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
h) Qualified Foreign Investor	-	-	-	-	-	-	-	-
i) Others – Alternate Investment Funds	4,58,001	-	4,58,001	3.13	9,16,002	-	9,16,002	3.13
j) Others -Foreign Portfolio Investor	1,59,961	-	1,59,961	1.09	5,63,562	-	5,63,562	1.93
Sub-total (B)(1):-	9,89,510	250	9,89,760	6.77	31,14,252	500	31,14,752	10.66

## Annexure Forming part of the Board's Report

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2018] Rs.2 per share				No. of Shares held at the end of the year [As on March 31, 2019] Re.1 per share			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
2. Non-Institutions								
a) Bodies Corp.	5,48,017	1,970	5,49,987	3.76	10,26,062	3,520	10,29,582	3.52
i) Indian	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	37,19,154	7,87,838	45,06,992	30.83	67,68,956	13,41,723	81,10,679	27.75
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	6,88,479	-	6,88,479	4.71	12,69,660	-	12,69,660	4.34
c) Others (specify)								
Trust	500	-	500	0.00	1,250	-	1,250	0.00
Non Resident Indian	2,40,918	-	2,40,918	1.65	4,69,829	-	4,69,829	1.61
Clearing Members	11,387	-	11,387	0.08	18,905	-	18,905	0.06
Hindu Undivided Families	1,89,676	-	1,89,676	1.30	3,26,689	-	3,26,689	1.12
Investor Education and Protection Fund	1,26,561	-	1,26,561	0.87	2,67,174	-	2,67,174	0.91
Any Other Total	5,69,042	-	5,69,042	3.89	10,83,847	-	10,83,847	3.71
Sub-total (B)(2):-	55,24,692	7,89,808	6,31,4,500	43.20	1,01,48,525	13,45,243	1,14,93,768	39.25
Total Public Shareholding (B)=(B)(1)+ (B)(2)	65,14,202	7,90,058	7,30,4,260	49.98	1,32,62,777	13,45,743	1,46,08,520	49.98
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,38,23,047	7,92,268	1,46,15,315	100	2,78,80,467	1,35,0163	2,92,30,630	100

Note: The shareholders of the Company has approved the sub-division of Equity Shares of the Company from 1,46,15,315 equity shares of Rs.2 each into 2,92,30,630 equity shares of Re.1 each/- on April 16,2018.





## Annexure Forming part of the Board's Report

## B) Shareholding of Promoter-

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year [As on April 1, 2018] Rs.2 per share			No. of Shares held at the end of the year [As on March 31, 2019] Re.1 per share			% change in shareholding during the year
		No. of Shares*	%of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares**	%of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	S. Sambhu Prasad	24,19,980	16.56	-	54,88,800	18.78	-	2.22
2.	S. Leela Bhramara	14,95,365	10.23	-	29,90,730	10.23	-	-
3.	S. Ramayamma	11,27,395	7.71	-	22,54,790	7.71	-	-
4.	P. Nageswaramma	9,40,070	6.43	-	0	0	-	(6.43)
5.	Ramalingam Ganti (Trustee of Amrutha Dharma Nidhi)	3,65,320	2.50	-	7,30,640	2.45	-	-
6.	Pasumarthi S N Murthi	3,32,195	2.27	-	25,44,530	8.71	-	6.43
7.	P. Sathyanarayana	3,24,420	2.22	-	0	0	-	(2.22)
8.	Arikirevula Ramaa Prabhakar (Includes Individual holding and Jointly with Prabhakar Arikirevula)	3,04,100	2.08	-	6,08,200	2.1	-	
9.	S. Nageswara Rao	2,210	0.02	-	4,420	0.02	-	
	Total	73,11,055	50.02	-	1,46,22,110	50.02	-	

\*Face value of Rs.2 per share

\*\* Face value of Re.1 per share

## Annexure Forming part of the Board's Report

## C) Change in Promoters' Shareholding (please specify, if there is no change)

S.No.	Shareholder's Name	Shareholding at Beginning of Year (April 1, 2018)		Date	Increase/ (Decrease) in shareholding	% of Increase/ (Decrease) in shareholding		Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares*	% of Total Shares of the Company			No. of shares**	% of change		No. of Shares**	% of Total Shares of the Company
1.	S. Sambhu Prasad	24,19,980	16.56	17/08/2018	Increase	6,48,840	2.22	Transmission	54,88,800	18.78
2.	S. Leela Bhramara	14,95,365	10.23	-	-	-	-	-	29,90,730	10.23
3.	S. Ramayamma	11,27,395	7.71	-	-	-	-	-	22,54,790	7.71
4.	P. Nageswaramma	9,40,070	6.43	26/02/2019	Decrease	18,80,140	6.43	Transmission	-	-
5.	Ramalingam Ganti (Trustee of Amrutha Dharma Nidhi)	3,65,320	2.50	-	-	-	-	-	7,30,640	2.45
6.	Pasumarthi S N Murthi	3,32,195	2.27	26/02/2019	Increase	18,80,140	6.43	Transmission	25,44,530	8.71
7.	P. Sathyanarayana	3,24,420	2.22	17/08/2018	Decrease	6,48,840	2.22	Transmission	-	-
8.	S. Nageswara Rao	2,210	0.02	-	-	-	-	-	4,420	0.02
9.	Arikirevula Ramaa Prabhakar Jt1 : Prabhakar Arikirevula	3,04,100	2.08	-	-	-	-	-	6,08,200	2.08

\*Face value of Rs.2 per share

\*\* Face value of Re.1 per share



## Annexure Forming part of the Board's Report

### D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

*The shareholders of the Company has approved the sub-division of Equity Shares of the Company from 1,46,15,315 equity shares of Rs.2 each into 2,92,30,630 equity shares of Re.1 each/- on April 16,2018.*

S. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	DSP SMALL CAP FUND				
	At the beginning of the year 01-Apr-2018	0	0.00	0	0.00
	Purchase 08-Jun-2018	246	0.00	246	0.00
	Purchase 15-Jun-2018	19,630	0.07	19,876	0.07
	Purchase 22-Jun-2018	28,526	0.08	48,402	0.17
	Purchase 29-Jun-2018	9,663	0.03	58,065	0.11
	Purchase 06-Jul-2018	14,089	0.05	72,154	0.25
	Purchase 13-Jul-2018	34,082	0.11	1,06,236	0.34
	Purchase 20-Jul-2018	70,778	0.24	1,77,014	0.60
	Purchase 27-Jul-2018	45,046	0.15	2,22,060	0.76
	Purchase 03-Aug-2018	4,04,049	13.82	6,26,109	2.14
	Purchase 10-Aug-2018	19,417	0.07	6,45,526	2.20
	Purchase 17-Aug-2018	26,474	0.09	6,72,000	2.23
	Purchase 24-Aug-2018	1,00,221	0.34	7,72,221	2.64
	Purchase 31-Aug-2018	2,793	0.01	7,75,014	2.65
	Purchase 05-Oct-2018	1,382	0.00	7,76,396	2.65
	Purchase 12-Oct-2018	43,491	0.14	8,19,887	2.80
	Purchase 19-Oct-2018	3,521	0.01	82,34,08	2.82
	Purchase 26-Oct-2018	12,234	0.04	83,56,42	2.86
	Purchase 02-Nov-2018	11,244	0.03	8,46,886	2.90
	At the end of the Year 31-Mar-2019	8,46,886	2.90	8,46,886	2.90
2.	SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND				
	At the beginning of the year 01-Apr-2018	3,47,253	2.38	3,47,253	2.38
	At the end of the Year 31-Mar-2019	6,94,506	2.38	6,94,506	2.38
3.	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I				
	At the beginning of the year 01-Apr-2018	3,42,566	2.35	3,42,566	2.35
	At the end of the Year 31-Mar-2019	6,85,132	2.35	6,85,132	2.35

## Annexure Forming part of the Board's Report

## D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):(Annexure B)

S. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
4.	RAJASHEKAR IYER (HAVING SAME PAN) 3 folios				
	At the beginning of the year 01-Apr-2018	3,73,649	2.56	3,73,649	2.56
	Sale 24-Aug-2018	-10,729	0.37	96,569	0.33
	Sale 15-Mar-2019	-8,635	0.03	87,934	0.30
	Sale 22-Mar-2019	-1,021	0.00	86913	0.23
	At the end of the Year 31-Mar-2019	7,26,913	2.45	7,26,913	2.45
5.	DIPAK KANAYALAL SHAH				
	JT1 : MITA DIPAK SHAH				
	JT2 : SHARAD KANAYALAL SHAH				
	At the beginning of the year 01-Apr-2018	2,10,000	1.44	2,10,000	1.44
	At the end of the Year 31-Mar-2019	4,20,000	1.44	4,20,000	1.44
6.	WASATCH EMERGING INDIA FUND				
	At the beginning of the year 01-Apr-2018	1,59,961	1.09	1,59,961	1.09
	Sale 08-Jun-2018	-8,969	0.03	3,10,953	0.03
	Sale 24-Aug-2018	-5,769	0.01	3,05,184	0.01
	Sale 21-Sep-2018	-2,071	0.00	3,03,113	0.00
	Sale 12-Oct-2018	-9,714	0.03	2,93,399	0.03
	Sale 23-Nov-2018	-1,730	0.00	2,91,669	0.00
	Purchase 18-Jan-2019	19,008	0.06	310677	0.06
	At the end of the Year 31-Mar-2019	3,10,677	1.06	3,10,677	1.06
7.	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	At the beginning of the year 01-Apr-2018	1,26,561	0.87	1,26,561	0.87
	Transfer 04-May-2018	3,810	0.01	2,56,932	0.01
	Transfer 08-Jun-2018	10,242	0.04	2,67,174	0.04
	At the end of the Year 31-Mar-2019	2,67,174	0.92	2,67,174	0.92





## Annexure Forming part of the Board's Report

### D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):(Annexure B)

S. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
8.	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES II				
	At the beginning of the year 01-Apr-2018	1,15,435	0.79	1,15,435	0.79
	At the end of the Year 31-Mar-2019	2,30,870	0.79	2,30,870	0.79
9.	ALQUITY SICAV - ALQUITY INDIAN SUBCONTINENT FUND				
	At the beginning of the year 01-Apr-2018	0	0.00	0	0.00
	Purchase 04-Jan-2019	17,349	0.06	17,349	0.06
	Purchase 11-Jan-2019	6,036	0.02	23,385	0.02
	Purchase 18-Jan-2019	38,042	0.13	61,427	0.13
	Purchase 25-Jan-2019	70,623	0.24	1,32,050	0.24
	Purchase 01-Feb-2019	50,950	0.17	1,83,000	0.17
	Purchase 08-Feb-2019	12,523	0.04	1,95,523	0.04
	Purchase 15-Feb-2019	318	0.00	1,9,5841	0.00
	Purchase 21-Feb-2019	26,184	0.09	2,22,025	0.09
	Purchase 22-Feb-2019	4,757	0.02	2,26,782	0.02
	Purchase 01-Mar-2019	1,889	0.01	2,28,671	0.01
	Purchase 29-Mar-2019	24,214	0.08	2,52,885	0.08
	At the end of the Year 31-Mar-2019	2,52,885	0.86	2,52,885	0.86
10.	C MACKERTICH PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	0	0.00	0	0.00
	Purchase 24-Aug-2018	36,500	0.13	36,500	0.13
	Purchase 28-Sep-2018	37,000	0.13	73,500	0.25
	Purchase 16- Nov-2018	25000	0.09	98,500	0.33
	Purchase 28- Dec-2018	80,000	0.27	1,78,500	0.62
	At the end of year Mar-31-2019	1,78,500	0.62	1,78,500	0.62

## Annexure Forming part of the Board's Report

### E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholder's Name	Shareholding at Beginning of Year (April 1, 2018)		Date	Increase/ (Decrease) in Share Holding	% of Increase/ (Decrease) in Share Holding		Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares*	% of Total Shares of the Company			No. of Shares**	% of Change		No. of Shares**	% of Total Shares of the Company
1.	S. Sambhu Prasad	24,19,980	16.56	-	-	-	-	-	-	-
				16.04.2018	-	24,19,980	16.56	Stock Split	24,19,980	16.56
				16.08.2018	Increase	6,48,840	2.22	Transmission	6,48,840	2.22
	Closing Balance of Mr. S Sambhu Prasad at the end of the year (as on March 31 2019)								54,88,800	18.78
2.	Dr. Pasumarthi S.N. Murthi	3,32,195	2.28	-	-	-	-	-	-	-
				16.04.2018	-	3,32,195	2.28	Stock Split	6,64,390	2.28
				26.02.2019	Increase	18,80,140	6.43	Transmission	18,80,140	6.43
	Closing Balance of Mr. Pasumarthi SN Murthi at the end of the year (as on March 31 2019)								25,44,530	8.71
3.	G Raghavan	14,000	0.10	-	-	-	-	-	14,000	0.10
				16.04.2018	-	14,000	0.05	Stock split	14,000	0.05
	Closing Balance of Mr. G Raghavan at the end of the year (as on March 31, 2019)								28,000	0.10
4.	V Swaminathan	250	0.00	-	-	-	-	-	250	0.00
				16.04.2018	-	250	0.00	Stock split	250	0.00
	Closing Balance of Mr V. Swaminathan at the end of the year (as on March 31 2019)								500	0.00
	TOTAL			-	-	-	-	-	80,61,830	27.59
Note: None of the other Directors and KMP's hold any share in the Company.										

\*Face value of Rs.2 per share

\*\* Face value of Re.1 per share

### V) INDEBTEDNESS -

The company has not availed any loan during the year and is a debt free Company



## Annexure Forming part of the Board's Report

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No.	Particulars of Remuneration	Name of MD/WT/ Manager	Total Amount (in Rs.)
		S Sambhu Prasad, MD	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,09,64,731	1,09,64,731
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,92,202	3,92,202
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	15,00,000	15,00,000
5.	Others, please specify	-	-
	Total (A)	1,28,56,933	1,28,56,933
	Ceiling as per the Act	1,82,87,000	1,82,87,000

#### B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount (in Rs.)
		Dr. Pasumarthi S N Murthi	Dr. H B N Shetty	Dr. (Mrs) Marie Shiranee Pereira	Dr. S Vydeeswaran	G Raghavan	V Swaminathan	
1.	Independent Directors							
	Sitting Fee for attending board committee meetings	-	2,10,000	1,20,000	1,20,000	90,000	1,20,000	6,60,000
	Commission	-	4,70,000	3,20,000	3,70,000	7,00,000	7,00,000	25,60,000
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	6,80,000	4,40,000	4,90,000	7,90,000	8,20,000	32,20,000
2.	Other Non-Executive Directors							
	Sitting Fee for attending board committee meetings	1,50,000	-	-	-	-	-	1,50,000
	Commission	2,70,000	-	-	-	-	-	2,70,000
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	4,20,000	-	-	-	-	-	4,20,000
	Total (B)=(1+2)	4,20,000	6,80,000	4,40,000	4,90,000	7,90,000	8,20,000	36,40,000
	Total Managerial Remuneration (A + B)	-	-	-	-	-	-	1,64,96,933
	Overall Ceiling as per the Act	-	-	-	-	-	-	2,19,44,000

## Annexure Forming part of the Board's Report

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB (in Rs.)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,99,837	24,58,106	44,57,943
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit, others, specify...	-	-	-
5	Others - Variable pay	-	-	-
	Total	19,99,837	24,58,106	44,57,943

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year ended 31st March, 2019, no penalties were levied or punishment / compounding fee imposed by the Regional Director / Court on the Company / Directors / Officers in Default.

For and on behalf of the Board

Place : Chennai  
Date : May 23, 2019

S Sambhu Prasad  
Chairman and Managing Director





## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE INFLOW AND OUTGO, ETC

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(33) of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2019.

(A) CONSERVATION OF ENERGY				
(i)	The steps taken or impact on conservation of energy	The manufacturing process adopted by the company is not power intensive. During the year, we have taken initiatives to increase the through put – by reducing manpower through automation.		
(ii)	The steps taken by the Company for utilising alternate sources of energy			
(iii)	The capital investment on energy conservation equipment			
(B) TECHNOLOGY ABSORPTION				
(i)	The efforts made towards technology absorption	The technology for the manufacture of topical analgesic gel format had been developed and transferred to the production. We have developed and improved the efficacy of the existing pain balms. Efforts are also being made to improve the other products and processes.		
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	Under the OTC and F&B Divisions, a number of new products have been developed and launched by utilizing the in house R&D expertise/infrastructure.		
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) The details of technology imported; (b) The year of import (c) Whether the technology been fully absorbed;			
(iv)	The expenditure incurred on Research and Development	Expenditure	2018-19	2017-18
			(Rs.in Lakhs)	
		Capital	-	-
		Recurring	105.83	97.62
		Total	105.83	97.62
	% of R & D expense to Net Sales	0.42	0.45	
(C) FOREIGN EXCHANGE EARNINGS AND OUTGO				
The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	Foreign Exchange	2018-19	2017-18	
		(Rs.in Lakhs)		
	Earnings (including discontinued operations)	465.85	415.23	
	Outgo	164.02	273.92	

For and on behalf of the Board

S Sambhu Prasad  
Chairman and Managing Director

Place : Chennai  
Date : May 23, 2019

Registered Office:  
Amrutanjan Health Care Limited  
CIN: L24231TN1936PLC000017  
No.103, Luz Church Road, Mylapore, Chennai 600 004  
Tel : 044-2499 4465 Fax : 044-2499 4585  
Email : shares@amrutanjan.com  
Website : www.amrutanjan.com



# Financial Statements



## Independent Auditors' Report

To the Members of Amrutanjan Health Care Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Amrutanjan Health Care Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
<p><b>Revenue Recognition</b></p> <p>Revenue is a key performance indicator for the external stakeholders of the Company and hence we have identified Revenue Recognition as a key audit matter.</p> <p>The Company has adopted IND AS 115 – Revenue from Contracts with Customers effective from April 1, 2018.</p> <p>Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch of the products.</p> <p>Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with applicable accounting standards.</li> <li>• We evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions.</li> <li>• We performed substantive testing by selecting samples of revenue transactions, recorded during the year by testing the underlying documents using statistical sampling.</li> <li>• We performed cut-off testing for samples of revenue transactions recorded before the financial year end date by comparing with relevant underlying documentation, which included shipping documents, to assess whether the revenue was recognized in the correct period.</li> </ul>

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditors' Report - (Contd.)

To the Members of Amrutanjan Health Care Limited

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as required under applicable laws and regulations.

### Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





## Independent Auditors' Report - (Contd.)

To the Members of Amrutanjan Health Care Limited

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;

- e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - refer note 36 to the financial statements;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
- iv. the disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

4. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Place: Chennai  
Date: 23 May 2019

for B S R & Co. LLP  
Chartered Accountants  
Firm's Registration Number : 101248W/W-100022

K Raghuram  
Partner  
Membership no: 211171

## Annexure A to the Independent Auditors' Report

To the Members of Amrutanjan Health Care Limited for the year ended 31 March 2019

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) The inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties as at the year end, written confirmations have been obtained by the management. The discrepancies noted on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to the information and explanations given to us, there are no companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) The Company does not have any loan, investment, guarantees and security which requires compliance under section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits as mentioned in the directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 148 (1) of the Act in respect of products manufactured and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted in the books of account in respect of undisputed statutory dues including employees' state insurance, income tax, duty of customs, goods and services tax, cess and other material statutory dues have generally

been regularly deposited by the Company with the appropriate authorities except for certain delays in remittances of provident fund. The delays in remittances of provident fund is on account of timely availability of Universal Account Number in respect of certain employees. As explained to us, the Company did not have any dues with respect to sales tax, duty of excise, service tax and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of employees' state insurance, income tax, duty of customs, goods and services tax, cess and other material statutory dues were in arrears as at 31 March 2019, for a period of more than six months from the date they became payable except for provident fund of INR 7.30 lakhs as at the balance sheet date.

- (b) According to the information and explanations given to us, there are no dues of income tax, duty of customs, value added tax and goods and services tax which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of duty of excise, service tax and sales tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount (INR in lakhs)*	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Duty of Excise	29.65	2011-2012	Central Excise and Service Tax Appellate Tribunal (CESTAT)
Finance Act, 1994	Service tax	224.80	August 2010 to February 2012	
Sales tax law	Sales tax	298.25	2010 - 2011 to 2015 - 2016	Sales Tax Appellate Tribunal
Sales tax law	Sales tax	12.07	2012 - 2013 to 2015 - 2016	Appellate Authority – Commissioner

\*net of amount paid under protest

- (viii) The Company did not have outstanding dues to any financial institutions, bank, debenture holders and government during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.



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

- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, we were given to understand that there are no transactions that require approvals in accordance with section 177 and 188 of the Act. Related party transactions as required by the relevant accounting standards has been disclosed in the financial statements.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

for B S R & Co. LLP  
Chartered Accountants  
Firm's Registration Number : 101248W/W-100022

Place: Chennai  
Date: 23 May 2019

K Raghuram  
Partner  
Membership no: 211171

## Annexure B to the Independent Auditors' Report on the financial statements of Amrutanjan Health Care Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Opinion

We have audited the internal financial controls with reference to financial statements of Amrutanjan Health Care Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for B S R & Co. LLP  
Chartered Accountants  
Firm's Registration Number : 101248W/W-100022

K Raghuram  
Partner  
Membership no: 211171

Place: Chennai  
Date: 23 May 2019




**BALANCE SHEET AS AT 31 MARCH 2019**
*(All amounts are in Indian Rupees lakhs)*

	Note	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	4	2,527.59	2,733.28
Intangible assets	5	42.31	20.77
Financial assets			
Investments	6	1,581.24	758.30
Loans	7	56.15	57.47
Other financial assets	9	28.12	411.00
Tax assets		27.44	27.44
Deferred tax assets (net)	33	424.15	394.88
Other non current assets	10	112.64	86.82
Total non-current assets		4,799.64	4,489.96
Current assets			
Inventories	11	1,457.68	1,035.77
Financial assets			
Investments	6	170.52	-
Trade receivables	8	3,293.35	2,796.12
Cash and cash equivalents	12	1,458.55	1,138.34
Other bank balances	13	6,672.27	6,172.95
Other financial assets	9	320.18	253.55
Other current assets	14	589.15	738.33
Total current assets		13,961.70	12,135.06
Total assets		18,761.34	16,625.02
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	15	292.31	292.31
Other equity	16	14,281.32	12,573.60
Total equity		14,573.63	12,865.91
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	22	27.60	27.60
Provisions	20	548.54	493.93
Total non-current liabilities		576.14	521.53
Current liabilities			
Financial liabilities			
Trade payables	21		
total outstanding dues of micro enterprises and small enterprises		84.17	82.41
total outstanding dues of creditors other than micro enterprises and small enterprises		2,903.22	2,561.64
Other financial liabilities	22	183.53	122.64
Provisions	20	230.63	247.77
Other current liabilities	23	210.02	223.12
Total current liabilities		3,611.57	3,237.58
Total liabilities		4,187.71	3,759.11
Total equity and liabilities		18,761.34	16,625.02
Significant accounting policies	3		

The notes referred to above are an integral part of these financial statements  
As per our report of even date attached

for B S R & Co. LLP  
Chartered Accountants  
Firm's Registration Number : 101248W/W-100022

K Raghuram  
Partner  
Membership no: 211171

Place: Chennai  
Date: 23 May 2019

for and on behalf of the Board of Directors of  
Amrutanjan Health Care Limited  
CIN : L24231TN1936PLC000017

S Sambhu Prasad  
Chairman & Managing Director  
DIN: 00015729

N Swaminathan  
Chief Financial Officer

Dr. H.B.N Shetty  
Director  
DIN: 00015465

M Srinivasan  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in Indian Rupees lakhs)

	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
Continuing operations			
Revenue from operations	24	25,322.73	22,153.46
Other income	25	713.09	602.45
Total income		<u>26,035.82</u>	<u>22,755.91</u>
Expenses			
Cost of materials consumed	26	8,977.69	7,094.13
Purchase of stock in trade		3,164.07	2,306.41
Changes in inventories of finished goods and stock in trade	27	(329.54)	79.89
Cost of materials consumed for services		74.63	110.16
Excise duty		-	153.59
Employee benefits expense	28	3,336.35	3,385.35
Finance costs	29	8.22	12.68
Depreciation and amortisation expense	30	315.97	290.59
Other expenses	31	6,971.70	6,214.23
Total expenses		<u>22,519.09</u>	<u>19,647.03</u>
Profit from continuing operations before exceptional items and income tax		3,516.73	3,108.88
Sale of immovable property and building		-	186.68
Profit from continuing operations before income tax		3,516.73	3,295.56
Current tax		1,023.00	1,320.00
Deferred tax		(6.04)	(29.36)
Income tax expense	33	<u>1,016.96</u>	<u>1,290.64</u>
Profit from continuing operations		2,499.77	2,004.92
Discontinued operation			
Loss from discontinued operation	32	(48.34)	(16.18)
Tax benefit of discontinued operation		-	(8.56)
Loss from discontinued operation after income tax		<u>(48.34)</u>	<u>(7.62)</u>
Profit for the year		<u>2,451.43</u>	<u>1,997.30</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability and assets		(79.79)	(35.27)
Income tax relating to items that will not be reclassified subsequently to profit or loss		(23.24)	(9.81)
Net other comprehensive income not to be reclassified subsequently to profit or loss		<u>(56.55)</u>	<u>(25.46)</u>
Other comprehensive income for the year, net of income tax		<u>(56.55)</u>	<u>(25.46)</u>
Total comprehensive income for the year		<u>2,394.88</u>	<u>1,971.84</u>
Earnings per share from continuing operations	18		
Basic and diluted earnings per share (INR)		8.55	6.86
Earnings per share from discontinued operation	18		
Basic and diluted earnings per share (INR)		(0.17)	(0.03)
Earnings per share from total operations	18		
Basic and diluted earnings per share (INR)		8.38	6.83
Significant accounting policies	3		

The notes referred to above are an integral part of these financial statements  
As per our report of even date attached

for B S R & Co. LLP  
Chartered Accountants  
Firm's Registration Number : 101248W/W-100022

K Raghuram  
Partner  
Membership no: 211171

Place: Chennai  
Date: 23 May 2019

for and on behalf of the Board of Directors of  
Amrutanjan Health Care Limited  
CIN : L24231TN1936PLC000017

S Sambhu Prasad  
Chairman & Managing Director  
DIN: 00015729

N Swaminathan  
Chief Financial Officer

Dr. H.B.N Shetty  
Director  
DIN: 00015465

M Srinivasan  
Company Secretary



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in Indian Rupees lakhs)

a. Equity share capital	Note	Amount
Balance as at 01 April 2017		292.31
Changes in equity share capital during the year	15	-
Balance as at 31 March 2018		292.31
Changes in equity share capital during the year	15	-
Balance as at 31 March 2019		292.31

b. Other equity	Attributable to the owners of the Company				
	Reserves and surplus			Items of OCI	Total
	Capital redemption reserve	General reserve	Retained earnings	Remeasurement of defined benefit liability and assets	
Balance as at 01 April 2017	27.69	5,109.43	6,205.17	(63.29)	11,279.00
Total comprehensive income for the year ended 31 March 2018					
Profit for the year	-	-	1,997.30	-	1,997.30
Remeasurement of defined benefit liability	-	-	-	(25.46)	(25.46)
Total comprehensive income	-	-	1,997.30	(25.46)	1,971.84
Transferred to retained earnings	-	-	(88.75)	88.75	-
Transactions with owners, recorded directly in equity					
Distributions to owners					
Final dividend paid - 31 March 2017 (INR 1.65 per share)	-	-	241.15	-	241.15
Dividend distribution tax on final dividend	-	-	49.09	-	49.09
Interim dividend paid (INR 2.20 per share)	-	-	321.54	-	321.54
Dividend distribution tax on interim dividend	-	-	65.46	-	65.46
Total transactions with owners	-	-	677.24	-	677.24
Balance at 31 March 2018	27.69	5,109.43	7,436.48	-	12,573.60

	Attributable to the owners of the Company				
	Reserves and surplus			Items of OCI	Total
	Capital redemption reserve	General reserve	Retained earnings	Remeasurement of defined benefit liability and assets	
Balance as at 01 April 2018	27.69	5,109.43	7,436.48	-	12,573.60
Total comprehensive income for the year ended 31 March 2019					
Profit for the year	-	-	2,451.43	-	2,451.43
Remeasurement of defined benefit liability	-	-	-	(56.55)	(56.55)
Total comprehensive income	-	-	2,451.43	(56.55)	2,394.88
Transferred to retained earnings	-	-	(56.55)	56.55	-
Transactions with owners, recorded directly in equity					
Distributions to owners					
Final dividend paid - 31 March 2018 (INR 0.85 per share)	-	-	248.46	-	248.46
Dividend distribution tax on final dividend	-	-	51.07	-	51.07
Interim dividend paid (INR 1.10 per share)	-	-	321.54	-	321.54
Dividend distribution tax on interim dividend	-	-	66.09	-	66.09
Total transactions with owners	-	-	687.16	-	687.16
Balance at 31 March 2019	27.69	5,109.43	9,144.20	-	14,281.32

a) Refer note 16 for nature and purpose of reserves  
As per our report of even date attached

for B S R & Co. LLP  
Chartered Accountants  
Firm's Registration Number : 101248W/W-100022

K Raghuram  
Partner  
Membership no: 211171

Place: Chennai  
Date: 23 May 2019

for and on behalf of the Board of Directors of  
Amrutanjan Health Care Limited  
CIN : L24231TN1936PLC000017

S Sambhu Prasad  
Chairman & Managing Director  
DIN: 00015729

N Swaminathan  
Chief Financial Officer

Dr. H.B.N Shetty  
Director  
DIN: 00015465

M Srinivasan  
Company Secretary

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in Indian Rupees lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit / (loss) before income tax from:		
- Continuing operations	3,516.73	3,295.56
- Discontinued operation	(48.34)	(16.18)
Adjustments for:		
Depreciation and amortisation	325.59	306.39
Property, plant and equipment written off	25.50	-
Loss / (profit) on sale of property, plant and equipment	3.07	(194.53)
Loss allowance on trade receivables	46.00	40.00
Change in fair value of investments	(59.47)	(25.55)
Interest income on deposits with banks and financial institutions	(475.43)	(383.04)
Interest income on debt instruments	(65.12)	(66.84)
Excess provision written back, net	(67.88)	(83.19)
Write off of investments	-	1.71
Advances written off	5.62	24.79
Finance costs	8.23	22.76
Unrealised loss (gain) on foreign exchange differences	1.15	(1.17)
	<u>3,215.65</u>	<u>2,920.71</u>
Working capital adjustments:		
(Increase) / decrease in trade receivables	(544.31)	31.33
Decrease in non-current and current assets	209.74	318.95
Decrease / (increase) in other financial assets	373.13	(322.45)
Increase in inventories	(421.91)	(33.20)
Increase / (decrease) in financial liabilities	19.60	(22.34)
Decrease in provisions	(47.28)	(18.92)
Increase in trade payables	343.34	135.01
Decrease in current liabilities	(13.10)	(41.30)
	<u>(80.79)</u>	<u>47.08</u>
Cash generated from operating activities	3,134.86	2,967.79
Less: Income tax paid (net)	(1,018.03)	(1,055.88)
Net cash generated from operating activities (a)	<u>2,116.83</u>	<u>1,911.91</u>
Cash flow from investing activities		
Purchase or construction of property, plant and equipment, intangible assets	(203.91)	(306.06)
Proceeds from sale of property, plant and equipment	7.00	209.20
Investments made in deposits - other bank balances	(449.63)	(1,512.84)
Interest income on deposits with banks and financial institutions	382.19	378.30
Interest income on debt instruments	97.18	223.47
(Increase) / redemption of investments	(933.99)	224.69
Net cash used in investing activities (b)	<u>(1,101.16)</u>	<u>(783.24)</u>
Cash flow from financing activities		
Repayment of borrowings	-	(248.28)
Dividend paid	(570.00)	(562.69)
Dividend distribution tax paid (DDT)	(117.16)	(114.55)
Interest paid	(8.23)	(22.76)
Net cash used in financing activities (c)	<u>(695.39)</u>	<u>(948.28)</u>
Net increase in cash and cash equivalents (a) + (b) + (c)	320.28	180.39
Cash and cash equivalents at the beginning of the year	1,138.34	957.95
Effect of exchange rate fluctuations on cash held	(0.07)	-
Cash and cash equivalents at the end of the year	<u>1,458.55</u>	<u>1,138.34</u>





## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts are in Indian Rupees lakhs)

Notes to cash flow statement

Components of cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Cash on hand	4.43	4.36
Bank balances	357.58	271.07
Cheques on hand	1,096.54	862.91
	<u>1,458.55</u>	<u>1,138.34</u>

Note:

Reconciliation of liabilities from financing activities

	Borrowings	Finance cost	Dividend (including DDT)
As at 01 April 2017	248.28	-	-
Avalied/ expenses during the year	-	22.76	677.24
Repayment/ payment during the year	(248.28)	(22.76)	(595.10)
Non-cash changes	-	-	-
As at 31 March 2018	<u>-</u>	<u>-</u>	<u>82.14</u>
As at 01 April 2018	-	-	82.14
Avalied/ expenses during the year	-	8.23	687.16
Repayment/ payment during the year	-	(8.23)	(637.47)
Non-cash changes	-	-	-
As at 31 March 2019	<u>-</u>	<u>-</u>	<u>131.83</u>

Significant accounting policies

3

The notes referred to above are an integral part of these financial statements  
As per our report of even date attached

for B S R & Co. LLP  
Chartered Accountants  
Firm's Registration Number : 101248W/W-100022

K Raghuram  
Partner  
Membership no: 211171

Place: Chennai  
Date: 23 May 2019

for and on behalf of the Board of Directors of  
Amrutanjan Health Care Limited  
CIN : L24231TN1936PLC000017

S Sambhu Prasad  
Chairman & Managing Director  
DIN: 00015729

N Swaminathan  
Chief Financial Officer

Dr. H.B.N Shetty  
Director  
DIN: 00015465

M Srinivasan  
Company Secretary

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 1 Reporting entity

Amrutanjan Health Care Limited ("AHCL" / "the Company") was incorporated on 9 September 1936, with its registered office situated at Chennai, Tamil Nadu, India. The Company is engaged in the business of manufacture, supply, sale of products in pain management, congestion management and health care, beverages & hygiene and services rendered through Amrutanjan Pain Management Center. The Company is a public limited company and is listed on the National Stock Exchange (NSE).

### 2 Basis of preparation

#### A. Statement of compliance

The Company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 23 May 2019.

Details of the Company's accounting policies are included in Note 3.

#### B. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees in lakhs.

#### C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

#### D. Use of estimates and judgments

In preparing the financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

##### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(E) – estimated useful life of property, plant and equipment and intangible assets;
- Note 20 – assets and obligations related to employee benefits; and
- Note 3(N) and 36 – provision for income taxes and related contingent liabilities

##### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 20 and 36 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

- b) Note 33 – recognition of deferred tax assets: availability of future taxable profit against which deferred tax assets will be recovered in future periods; and
- c) Note 34 – impairment of financial assets

### E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Chief Financial Officer has overall responsibility for overseeing all significant fair value measurements.

The Chief Financial Officer regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Chief Financial Officer assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 34 – financial instruments.

### 3 Significant accounting policies

#### A. Common control transactions

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity.

#### B. Operating cycle

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has considered the operating cycle as the life of the project for project related assets and liabilities and for rest of the assets and liabilities it has been considered as 12 months.

#### C. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

### D. Financial instruments

#### i) *Recognition and initial measurement*

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### ii) *Classification and subsequent measurement*

Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI)
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value through other comprehensive income if it meets both the following conditions and is not designated as FVTPL:

- a) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### *Financial assets: Business model assessment*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and the information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice
- these include whether management strategy focuses on earning contractual interest, maintaining a particular interest





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

rate profile, matching the duration of financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;

- how the performance of the portfolio is evaluated and reported to the Company's management
- the risk that affect the performance of the business model (and the financial assets held with in the business model) and how those risks are managed
- how managers of the business are compensated
- the frequency, volume and timing of sales of financial assets in prior period, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on fair value basis are measured at FVTPL.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that pertains or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost impairment losses, interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

### iii) *Derecognition*

Financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### iv) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## E. Property, plant and equipment

### i) *Recognition and initial measurement*

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

### ii) *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### iii) *Depreciation*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated. The estimated useful lives (in years) of items of property, plant and equipment for the current and comparative periods are as follows:



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

Asset category	Management estimate of useful life	Useful life as per Schedule II
Buildings	30	30
Plant and equipment*	15	15
Electrical installations	10	10
Computers / Servers	3/6	3/6
Furniture and fittings**	5/10	5/10
Motor vehicles	8/10	8/10

\*includes certain moulds depreciated over the period of 8 years and certain moulds depreciated based on the number of units produced

\*\* includes office equipment

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

#### F. Intangible assets

##### i) Intangible assets

Intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

##### ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit and loss as incurred.

##### iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives (in years) are as follows:

Asset category	Management estimate of useful life
Software	3 - 10

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

#### G. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost basis and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials and packing materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Finished goods: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the actual operating capacity for variable overheads and normal overheads for fixed overheads. Cost is determined on weighted average cost basis.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. The comparison of cost and net realisable value is made on an item-by-item basis.

### H. Impairment

#### i) *Impairment of financial assets*

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past dues; - the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than past due.

#### Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

#### Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

### ii) *Impairment of non-financial assets*

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., head office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### I. Employee benefits

#### i) *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### ii) *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

#### iii) *Defined benefit plans*

A defined benefits plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

The calculation of defined benefit obligation is performed annually by a qualified and independent actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### iv) Other long term employee benefits

The Company's net obligation in respect of accumulated compensated absences and carried forward unavailed sick leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

### J. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

### K. Revenue

#### i) Sale of goods and services

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 retrospectively without optional practical expedients. The effect of initially applying this standard is recognised by adjusting the opening balance of retained earnings for the earliest prior period presented as if the new accounting policy had always been applied and the comparative information in the statement of profit and loss is restated wherever applicable. There are no adjustments required to the retained earnings as at 01 April 2017.

The impact arising from the change is summarised as follows:	Year ended 31 March 2019	Year ended 31 March 2018
Statement of profit and loss		
Revenue from operations	(512.52)	(288.31)
Cost of material consumed	(122.61)	(82.73)
Other expenses	(389.91)	(205.58)
Adjustment before income tax	-	-



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch of goods from Company premises. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc.

Revenue from services is recognised in the accounting period in which the services are rendered.

### L. Leases

#### i) *Determining whether an arrangement contains a lease*

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

#### ii) *Lease payments*

Payments made under operating leases are generally recognised in statement of profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### M. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### N. Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### i) *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### ii) *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### O. Discontinued operation

A discontinued operation is a component of the Company's business, the operations and the cash flows of which can be clearly distinguished from those of the rest of the Company and which represents a separate major line of business or geographical area of operations and is part of a single coordinated plan to dispose a separate major line of business or geographic area of operations.

Classification as discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative period.

### P. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. For the disclosure on reportable segments see Note 38.

### Q. Cash and cash equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

### R. Earnings per share

#### i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

#### ii) *Diluted earnings per share*

Diluted earning per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

- b. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

### S. Recent Indian Accounting Standards (Ind AS) issued but not effective

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 01 April 2019:

#### Ind AS 116 – Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17 - Leases.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. The Company will apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment. No significant impact is expected for the Company's finance leases (if any). The Company does not expect this amendment to have any significant impact on its financial statements.

#### Ind AS 12 Income Taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

#### Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

#### Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

### 4 Property, plant and equipment (See accounting policy in Note 3(E)) Reconciliation of carrying amount

Particulars	Land	Buildings	Plant and equipment	Electrical installations	Computers and accessories	Furniture and fittings	Motor Vehicles	Leasehold improvements	Total
Cost or deemed cost (gross carrying amount)									
Balance at 1 April 2017	231.76	1,444.32	1,151.40	-	39.64	54.95	61.20	1.96	2,985.23
Additions	-	-	270.54	-	8.76	12.86	56.60	-	348.76
Disposals	-	(1.98)	-	-	-	-	(18.87)	-	(20.85)
Balance at 31 March 2018	231.76	1,442.34	1,421.94	-	48.40	67.81	98.93	1.96	3,313.14
Balance at 1 April 2018	231.76	1,442.34	1,421.94	-	48.40	67.81	98.93	1.96	3,313.14
Additions	-	42.88	57.38	-	31.45	14.16	0.39	-	146.26
Disposals	-	-	(14.27)	-	-	-	-	-	(14.27)
Reclassification / Adjustment	(0.09)	1.90	(98.12)	69.97	5.95	(6.89)	0.35	-	(26.93)
Balance at 31 March 2019	231.67	1,487.12	1,366.93	69.97	85.80	75.08	99.67	1.96	3,418.20
Accumulated depreciation									
Balance at 1 April 2017	-	73.56	176.21	-	10.92	14.08	7.68	0.14	282.59
Depreciation for the year	-	79.82	178.06	-	14.19	14.21	17.03	0.14	303.45
Disposals	-	(0.66)	-	-	-	-	(5.52)	-	(6.18)
Balance at 31 March 2018	-	152.72	354.27	-	25.11	28.29	19.19	0.28	579.86
Balance at 1 April 2018	-	152.72	354.27	-	25.11	28.29	19.19	0.28	579.86
Depreciation for the year	-	71.41	195.53	5.23	18.38	10.09	14.06	1.68	316.38
Disposals	-	-	(4.20)	-	-	-	-	-	(4.20)
Reclassification / Adjustments	-	(3.68)	(34.86)	34.07	1.25	(0.06)	1.85	-	(1.43)
Balance at 31 March 2019	-	220.45	510.74	39.30	44.74	38.32	35.10	1.96	890.61
Carrying amount (net)									
As at 31 March 2018	231.76	1,289.62	1,067.67	-	23.29	39.52	79.74	1.68	2,733.28
As at 31 March 2019	231.67	1,266.67	856.19	30.67	41.06	36.76	64.57	-	2,527.59

Depreciation charge for the year 2018-19 includes an amount of INR 9.61 lakhs (31 March 2018: INR 15.80 lakhs) which pertains to depreciation on assets of the Chemical business, which is discontinued in the previous year. Also, refer note 32.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)***(All amounts are in Indian Rupees lakhs)***5 Intangible assets**

(See accounting policy in Note 3(F))

Reconciliation of carrying amount

Particulars	Software
Cost or deemed cost (gross carrying amount)	
Balance as at 01 April 2017	13.97
Additions	12.71
Disposals	-
Balance as at 31 March 2018	<u>26.68</u>
Balance as at 01 April 2018	26.68
Additions	30.75
Disposals	-
Balance as at 31 March 2019	<u>57.43</u>
Accumulated amortisation	
Balance as at 1 April 2017	2.97
Amortisation for the year	2.94
Balance as at 31 March 2018	<u>5.91</u>
Balance as at 1 April 2018	5.91
Amortisation for the year	9.21
Balance as at 31 March 2019	<u>15.12</u>
Carrying amount (net)	
As at 31 March 2018	<u>20.77</u>
As at 31 March 2019	<u>42.31</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>6 Investments</b>		
(See accounting policy in Note 3(D))		
<b>A. Non-current investments</b>		
Quoted debt securities		
Debt securities at FVTPL		
50,000 (31 March 2018: 50,000) (8.23%) Tax Free Bonds of Indian Railway Finance Corporation Limited of INR 1,000 each	600.00	582.26
16,800 (31 March 2018: 16,800) (10.24%) Debentures of L & T Finance Limited of INR 1,000 each	-	174.05
10,000 (31 March 2018: Nil) (8.7%) non convertible debentures of TATA Capital Financial Services Limited INR 1,000 each	100.00	-
10,000 (31 March 2018: Nil) (9%) non convertible debentures of Mahindra & Mahindra Financial Services Ltd INR 1,000 each	100.00	-
1,006 (31 March 2018: 1,006) non convertible debentures in NTPC Ltd of INR 10 each fully paid	0.13	-
Quoted equity shares		
Equity shares at FVTPL		
1,006 (31 March 2018: 1,006) equity shares in NTPC Ltd of INR 10 each fully paid	1.63	1.71
190 (31 March 2018: 190) equity shares in Punjab National Bank of INR 2 each fully paid	0.18	0.18
20 (31 March 2018: 20) equity shares in Dewan Housing Finance Ltd of INR 10 each fully paid	0.03	0.10
Investment in Mutual Funds		
520,000 Units (31 March 2018: Nil) Aditya Birla Fixed Term Plan Series QU (1100 days) Regular- Growth	55.26	-
760,000 Units (31 March 2018: Nil) SBI Debt Fund Series C -24 (1100 Days) Regular - Growth	80.79	-
1,000,000 Units (31 March 2018: Nil) Kotak FMP Series 247 - 1308 days Regular - Growth	106.90	-
1,200,000 Units (31 March 2018: Nil) SBI Debt Fund Series C -26 (1125 Days) - Regular - Growth	127.41	-
1,200,000 Units (31 March 2018: Nil) Reliance Fixed Horizon Fund - XXXIX - Series 6 - Growth Plan	128.52	-
550,000 Units (31 March 2018: Nil) HDFC FMP - 1113D - Regular Growth - Series 42	58.14	-
100,000 Units (31 March 2018: Nil) Reliance Fixed Horizon Fund - XXXVIII - Series 05 - Growth Plan	10.65	-
1,010,000 Units (31 March 2018: Nil) HDFC FMP - 1265D - Regular Growth - Series 43	106.66	-
1,000,000 Units (31 March 2018: Nil) Reliance Fixed Horizon Fund - XXXX - Series 1 - Growth Plan	104.94	-
	<u>1,581.24</u>	<u>758.30</u>
Aggregate book value of quoted investments	1,581.24	758.30
Aggregate market value of quoted investments	1,581.24	758.30
<b>B. Current investments</b>		
Quoted debt securities		
Corporate debt securities at FVTPL		
16,800 (31 March 2018: 16,800) (10.24%) Debentures of L & T Finance Limited of INR 1,000 each	170.52	-
	<u>170.52</u>	<u>-</u>
Aggregate book value of quoted investments	170.52	-
Aggregate market value of quoted investments	170.52	-
<b>C. Terms of debt securities</b>		
Corporate debt securities at FVTPL have stated interest rates of 8.23% to 10.24% (2017-18: 8.23% to 10.24%) and mature in less than one to five years.		





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>7 Loans</b>		
Security deposits		
Loan receivables considered good - secured	-	-
Loan receivables considered good - unsecured	56.15	57.47
Loan receivables which have significant increase in credit risk	-	-
Loan receivables - credit impaired	-	-
	56.15	57.47
<b>8 Trade receivables</b>		
(See accounting policy in Note 3(D) and 3(H))		
Trade receivables		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	4,452.90	3,909.67
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	4,452.90	3,909.67
Loss allowance	1,159.55	1,113.55
Net trade receivables	3,293.35	2,796.12
Non-current	-	-
Current	3,293.35	2,796.12
	3,293.35	2,796.12
The movement in provision towards disputed liabilities is as follows:		
Opening provision	1,113.55	1,073.55
Provision made during the year	46.00	40.00
Provision reversed during the year	-	-
Closing provision	1,159.55	1,113.55
The Company's exposure to credit and currency risks, and loss allowances relating to trade receivables are disclosed in Note 34		
<b>9 Other financial assets</b>		
Deposits		
with banks	-	211.00
with financial institutions	-	200.00
Balance with bank held as margin money deposits	28.12	-
Interest accrued on deposits with banks and financial institutions	227.67	134.43
Interest accrued on debt instruments	54.41	86.47
Exports benefits receivable (duty drawback)	2.86	3.81
Employee advances	35.24	28.84
	348.30	664.55
Non-current	28.12	411.00
Current	320.18	253.55
	348.30	664.55

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

	As at 31 March 2019	As at 31 March 2018
10 Other non-current assets		
Capital advances	18.50	-
Balance with government authorities	207.37	200.05
Less: Provision towards disputed liabilities	(113.23)	(113.23)
Deposit paid under protest	50.00	50.00
Less: Provision towards disputed liabilities	(50.00)	(50.00)
	<u>112.64</u>	<u>86.82</u>
The movement in provision towards disputed liabilities is as follows:		
Opening provision	238.18	232.19
Provision made during the year	10.70	5.99
Provision reversed during the year	(5.99)	-
Closing provision	<u>242.89</u>	<u>238.18</u>
Classified as:		
Provision towards disputed liabilities (see note 20)	79.66	74.95
Other non-current assets	<u>163.23</u>	<u>163.23</u>
	<u>242.89</u>	<u>238.18</u>
11 Inventories		
(See accounting policy in Note 3(G))		
Raw materials	333.32	213.46
Packing materials	298.98	316.24
Finished goods	568.28	430.31
Stock in trade	<u>257.10</u>	<u>75.76</u>
	<u>1,457.68</u>	<u>1,035.77</u>
Goods in transit (included above):		
Raw materials	24.82	0.60
Packing materials	11.29	13.15
Stock in trade	<u>68.98</u>	<u>7.74</u>
12 Cash and cash equivalents		
Cash on hand	4.43	4.36
Bank balances	357.58	271.07
Cheques on hand	<u>1,096.54</u>	<u>862.91</u>
	<u>1,458.55</u>	<u>1,138.34</u>
13 Other bank balances		
Deposits		
with banks	4,090.69	4,367.72
with financial institutions	1,789.00	1,250.00
Balance with bank held as margin money deposits	660.75	473.09
Unclaimed dividend	<u>131.83</u>	<u>82.14</u>
	<u>6,672.27</u>	<u>6,172.95</u>
14 Other current assets		
Prepaid expenses	18.59	25.03
Exports benefits receivable (MEIS)	22.37	20.94
Balance with government authorities	250.20	252.16
Others (including advance to suppliers)	<u>297.99</u>	<u>440.20</u>
	<u>589.15</u>	<u>738.33</u>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

### 15 Equity share capital

#### Authorised

50,000,000 equity shares of INR 1/- each  
(31 March 2018: 25,000,000 equity shares of INR 2/- each)

#### Issued, subscribed and paid up

29,230,630 equity shares of INR 1/- each  
(31 March 2018: 14,615,315 equity shares of INR 2/- each) , fully paid up

As at 31 March 2019	As at 31 March 2018
500.00	500.00
292.31	292.31

#### a) Reconciliation of shares outstanding at the beginning and at the end of the year

As at 31 March 2019		As at 31 March 2018	
Number of shares (in lakhs)	Amount	Number of shares (in lakhs)	Amount
Equity shares (refer note 42)			
At the commencement and at the end of the year	292.31	146.15	292.31

#### b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of INR 1/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the equity shares held.

#### c) Particulars of shareholders holding more than 5% shares of a class of shares

	As at 31 March 2019		As at 31 March 2018	
	Number of shares (in lakhs)	% of Equity Shares	Number of shares (in lakhs)	% of Equity Shares
Equity shares of INR 1/- (31 March 2018: INR 2/-) each fully paid, held by				
Sambhu Prasad S	54.89	18.78%	24.20	16.56%
Leela Bhramara	29.91	10.23%	14.95	10.23%
Ramayamma S	22.55	7.71%	11.27	7.71%
Nageswaramma P	-	-	9.40	6.43%
Pasumarthi Sathya Narayana Murthi	25.45	8.70%	3.32	2.27%

#### d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
-	-	-	-	-

### 16 A. Other equity

#### a) Capital redemption reserve

The Company has recognised Capital redemption reserve on buyback of equity shares from its retained earnings. The amount in this reserve is equal to nominal amount of the equity shares bought back.

#### b) General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956.

#### c) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

### B. Disaggregation of changes in item of OCI

Remeasurement of defined benefit liability and assets  
(Attributable to the owners of the Company)

Opening balance

Remeasurement of defined benefit liability

Transfer to retained earnings

Closing balance

Remeasurement of defined benefit liability and assets comprises actuarial gains and losses and return on plan assets (excluding interest income).

	Year ended 31 March 2019	Year ended 31 March 2018
Opening balance	-	(63.29)
Remeasurement of defined benefit liability	(56.55)	(25.46)
Transfer to retained earnings	56.55	88.75
Closing balance	-	-

### 17 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through equity, borrowings and cash generated through operations. The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, provisions, financial liabilities, other current liabilities less cash and cash equivalents. Total equity comprises all components of equity.

The Company's adjusted net debt to equity ratio is as follows:

Total liabilities

Less : Cash and cash equivalents

Adjusted net debt

Total equity

Adjusted net debt to total equity ratio

	As at 31 March 2019	As at 31 March 2018
Total liabilities	4,187.71	3,759.11
Less : Cash and cash equivalents	(1,458.55)	(1,138.34)
Adjusted net debt	2,729.16	2,620.77
Total equity	14,573.63	12,865.91
Adjusted net debt to total equity ratio	0.19	0.20

### 18 Earnings per share

(See accounting policies in note 3(R))

Basic and diluted earnings per share

The calculation of basic earnings per share is based on profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding as follows:

Weighted average number of equity shares (in lakhs) (A)

Weighted average number of equity shares after share split (in lakhs) (B) (refer note 42)

Continuing operations

Profit attributable to the equity shareholders of the Company (C)

Basic and diluted earnings per share (EPS) (C / B)

Discontinued operation

Profit attributable to the equity shareholders of the Company (D)

Basic and diluted earnings per share (EPS) (D / B)

Total operations

Profit attributable to the equity shareholders of the Company (E)

Basic and diluted earnings per share (EPS) (E / B)

	Year ended 31 March 2019	Year ended 31 March 2018
Weighted average number of equity shares (in lakhs) (A)	292.31	146.15
Weighted average number of equity shares after share split (in lakhs) (B) (refer note 42)	292.31	292.31
Continuing operations		
Profit attributable to the equity shareholders of the Company (C)	2,499.77	2,004.92
Basic and diluted earnings per share (EPS) (C / B)	8.55	6.86
Discontinued operation		
Profit attributable to the equity shareholders of the Company (D)	(48.34)	(7.62)
Basic and diluted earnings per share (EPS) (D / B)	(0.17)	(0.03)
Total operations		
Profit attributable to the equity shareholders of the Company (E)	2,451.43	1,997.30
Basic and diluted earnings per share (EPS) (E / B)	8.38	6.83



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)***(All amounts are in Indian Rupees lakhs)***19 Assets and liabilities relating to employee benefits**

(See accounting policies in note 3(i))

Net defined benefit liability - Gratuity plan (a)

Liability for compensated absences (b)

Total employee benefit liabilities (a) + (b)

Non-current

Current

	As at 31 March 2019	As at 31 March 2018
Net defined benefit liability - Gratuity plan (a)	329.91	261.92
Liability for compensated absences (b)	172.04	212.25
Total employee benefit liabilities (a) + (b)	<u>501.95</u>	<u>474.17</u>
Non-current	468.88	418.98
Current	<u>33.07</u>	<u>55.19</u>
	<u>501.95</u>	<u>474.17</u>

For details about the related employee benefit expenses, see Note 28.

The Company operates the following post-employment defined benefit plans.

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

**A. Funding**

Plan is fully funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in (E). Employees do not contribute to the plan. The Company expects to pay INR 77.52 lakhs to defined benefit plan in 2019-20.

**B. Reconciliation of the net defined benefit (asset) / liability**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) / liability and its components.

**Reconciliation of present value of defined benefit obligation**

Balance at the beginning of the year

Benefits paid

Service cost

Interest cost

Actuarial (gains)/ losses recognised in other comprehensive income

Balance at the end of the year

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning of the year	300.79	252.14
Benefits paid	(30.75)	(77.00)
Service cost	31.32	74.31
Interest cost	21.97	18.61
Actuarial (gains)/ losses recognised in other comprehensive income	76.91	32.73
Balance at the end of the year	<u>400.24</u>	<u>300.79</u>

**Reconciliation of the present value of plan assets**

Balance at the beginning of the year

Contributions paid into the plan

Benefits paid

Interest income

Remeasurement on plan assets recognised in other comprehensive income

Balance at the end of the year

	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning of the year	38.87	112.12
Contributions paid into the plan	60.95	0.74
Benefits paid	(30.75)	(77.00)
Interest income	4.14	5.55
Remeasurement on plan assets recognised in other comprehensive income	(2.88)	(2.54)
Balance at the end of the year	<u>70.33</u>	<u>38.87</u>

Net defined benefit liability

	Year ended 31 March 2019	Year ended 31 March 2018
Net defined benefit liability	<u>329.91</u>	<u>261.92</u>

**C. i. Expense recognised in statement of profit and loss**

Service cost

Interest cost

Interest income

	Year ended 31 March 2019	Year ended 31 March 2018
Service cost	31.32	74.31
Interest cost	21.97	18.61
Interest income	(4.14)	(5.55)
	<u>49.15</u>	<u>87.37</u>

**ii. Remeasurement recognised in other comprehensive income**

Actuarial (gains)/ losses on defined benefit obligation

Return on plan assets excluding interest income

	Year ended 31 March 2019	Year ended 31 March 2018
Actuarial (gains)/ losses on defined benefit obligation	76.91	32.73
Return on plan assets excluding interest income	2.88	2.54
	<u>79.79</u>	<u>35.27</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

### D. Plan assets

Plan assets comprise of funds with Life Insurance Corporation and PNB MetLife India Insurance maintained on behalf of the Company.

### E. Defined benefit obligations

#### i. Actuarial assumptions

Principal actuarial assumptions at the reporting date  
(expressed as weighted averages):

	31 March 2019	31 March 2018
Discount rate	7.23%	7.70%
Future salary growth	5%	4%
Attrition rate	10.0%	2.5%

As at 31 March 2019, the decrement adjusted remaining useful life of the defined benefit obligation was 7.14 years (31 March 2018: 14.18 years).

#### ii. Sensitivity analysis

	Year ended 31 March 2019		Year ended 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	381.30	421.16	269.88	314.80
Future salary growth (1% movement)	420.97	381.08	315.46	268.99
Attrition rate (25% movement)	404.71	394.40	294.79	286.61

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### 20 Provisions

(See accounting policies in 3(I) and 3(J))

	Non-Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (see note 19)				
Liability for gratuity	322.72	223.80	7.19	38.11
Liability for compensated absences	146.16	195.18	25.88	17.08
Total provision for employee benefits	468.88	418.98	33.07	55.19
Other provisions				
Provision towards disputed liabilities (see note 10)	79.66	74.95	-	-
Provision for tax	-	-	197.56	192.58
Total other provisions	79.66	74.95	197.56	192.58
Total provisions	548.54	493.93	230.63	247.77



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

		As at 31 March 2019	As at 31 March 2018
21	Trade payables		
	Payable to related parties	-	-
	Payable to others		
	total outstanding dues of micro enterprises and small enterprises (refer note 41)	84.17	82.41
	total outstanding dues of creditors other than micro enterprises and small enterprises	2,903.22	2,561.64
		<u>2,987.39</u>	<u>2,644.05</u>
22	Other financial liabilities		
	Rental deposits	0.10	0.10
	Caution deposits	27.50	27.50
	Payable towards purchase of property, plant and equipment		
	total outstanding dues of micro enterprises and small enterprises	-	-
	total outstanding dues of creditors other than micro enterprises and small enterprises	8.40	-
	Payable to directors	43.30	40.50
	Unclaimed dividend	131.83	82.14
		<u>211.13</u>	<u>150.24</u>
	Non-current	27.60	27.60
	Current	183.53	122.64
		<u>211.13</u>	<u>150.24</u>
23	Other current liabilities		
	Advance payments received	3.10	6.53
	Payable to employees	110.91	140.84
	Statutory dues payable	96.01	75.75
		<u>210.02</u>	<u>223.12</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018				
24 Revenue from operations (See accounting policy in Note 3(K))						
Sale of products (including excise duty)	25,023.46	21,728.13				
Sale of services	173.40	310.10				
Total - A	25,196.86	22,038.23				
Other operating revenue						
Sale of raw material	88.80	83.51				
Scrap sales	37.07	31.72				
Total - B	125.87	115.23				
Total revenue from operations (A+B)	25,322.73	22,153.46				
25 Other income						
Interest income on deposits with banks	335.90	279.03				
Interest income on deposits with financial institutions	139.53	104.01				
Interest income on debt instruments	65.12	66.84				
Financial assets at FVTPL - net change in fair value:						
Equity instruments	-	-				
Debt instruments	59.47	26.64				
Export incentives	29.90	29.63				
Net gain on sale of property, plant and equipment	-	7.85				
Excess provision written back, net	67.88	83.19				
Net gain on foreign currency transactions	3.15	5.09				
Miscellaneous income	12.14	0.17				
	713.09	602.45				
26 Cost of materials consumed						
Inventory of materials at the beginning of the year	529.70	404.52				
Add: Purchases during the year	9,080.29	7,219.31				
Less: Inventory of materials at the end of the year	632.30	529.70				
Cost of materials consumed	8,977.69	7,094.13				
27 Changes in inventories of finished goods and stock in trade						
	Year ended 31 March 2019		Year ended 31 March 2018			
	Opening Inventory	Closing Inventory	(Increase) / Decrease in Inventory	Opening Inventory	Closing Inventory	(Increase) / Decrease in Inventory
Finished goods	420.08	568.28	(148.20)	515.50	420.08	95.42
Stock in trade	75.76	257.10	(181.34)	60.23	75.76	(15.53)
	495.84	825.38	(329.54)	575.73	495.84	79.89
	Year ended 31 March 2019		Year ended 31 March 2018			
28 Employee benefits expense (See accounting policy in Note 3(I))						
Salaries, wages and bonus	2,777.72	2,748.77				
Contribution to provident and other funds	262.46	259.78				
Expenses related to post-employment defined benefit plans	49.95	88.61				
Expenses related to compensated absences	27.96	101.40				
Staff welfare expenses	218.26	186.79				
	3,336.35	3,385.35				
29 Finance costs (See accounting policy in Note 3(M))						
Interest expense on financial liabilities measured at amortised cost	8.22	12.68				
	8.22	12.68				





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
30 Depreciation and amortisation expense (See accounting policy in Note 3(E)(iii) and 3(F)(iii))		
Depreciation of property, plant and equipment	306.76	287.65
Amortisation of intangible assets	9.21	2.94
	<u>315.97</u>	<u>290.59</u>
31 Other expenses		
Consumption of stores and spares	2.47	4.03
Contract labour charges	311.67	284.50
Power and fuel	186.72	169.68
Freight and handling charges	828.30	963.82
Advertising and sales promotion	4,109.49	3,208.88
Rent	113.21	116.24
Repairs and maintenance		
- Building	21.35	30.85
- Plant and machinery	46.84	47.72
- Others	190.02	164.54
Insurance	11.98	33.37
Rates and taxes	74.47	77.19
Travelling and conveyance	543.36	556.24
Legal and professional charges	122.11	160.91
Payment to auditors (refer note (i) below)	25.48	18.08
Director's sitting fees	8.10	8.50
Commission to non-executive directors	28.30	25.50
Loss allowance on trade receivables	46.00	40.00
Advances written off	5.62	24.79
Property, plant and equipment written off	25.50	-
Information technology expenses	22.74	22.58
Bank charges	12.03	18.46
Communication expenses	84.55	99.37
Printing and stationery	24.17	23.29
Corporate social responsibility expenditure (refer note (ii) below)	67.37	62.84
Financial assets at FVTPL - net change in fair value:		
Equity instruments	-	0.04
Miscellaneous expenses	59.85	52.81
	<u>6,971.70</u>	<u>6,214.23</u>
(i) Payment to auditors (excluding tax)		
As auditor		
Statutory audit	13.75	10.75
Limited financial review*	9.00	6.50
Reimbursement of expenses	2.73	0.83
	<u>25.48</u>	<u>18.08</u>

\* includes an amount of INR 0.50 paid to previous auditors of the Company in 2017-18 for Limited financial review for quarter ended 30 June 2017.

## (ii) Details of corporate social responsibility expenditure

As per section 135 of the Companies Act, 2013, the Company is required to spend INR 66.40 lakhs (2017-18: INR 62.05 lakhs). However, the Company has spent INR 67.37 lakhs (2017-18: INR 62.84 lakhs) during the current financial year.

## Particulars

(a) Construction / acquisition of any assets	-	-
(b) On purposes other than (a) above	67.37	62.84
Total corporate social responsibility expenditure	<u>67.37</u>	<u>62.84</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

### 32 Discontinued operation

See accounting policy in Note 3(O)

During the previous year, the Company has decided to discontinue the operations of its Chemical division. Management is committed to a plan to sell this segment during the following financial year.

The Chemical division was previously disclosed as a discontinued operation. Accordingly, the results for the periods in this Statement have been represented to exclude the operations of the Chemical division.

#### A. Result of discontinued operation

The following statement shows the revenue and expenses of discontinued operations, of the Company which has been discontinued.

	Year ended 31 March 2019	Year ended 31 March 2018
Discontinued operation		
Revenue	15.10	215.29
Other income	7.77	12.78
Total revenue	<u>22.87</u>	<u>228.07</u>
Expenses		
Cost of materials consumed	4.98	144.62
Changes in inventories of finished goods	10.23	12.09
Excise duty	-	0.07
Employee benefits expense	-	10.52
Finance costs	0.01	10.08
Depreciation and amortisation expense	9.62	15.80
Other expenses	46.37	51.07
Total expenses	<u>71.21</u>	<u>244.25</u>
Loss from discontinued operation before tax	(48.34)	(16.18)
Current tax	-	-
Deferred tax	-	(8.56)
Loss from discontinued operating after tax	<u>(48.34)</u>	<u>(7.62)</u>

#### B. Cash flows generated from / (used in) discontinued operation

Net cash generated from / (used in) operating activities	(31.53)	255.61
Net cash generated from investing activities	7.25	2.88
Net cash used in financing activities	(0.01)	(258.37)
Net cash flow for the year	<u>(24.29)</u>	<u>0.12</u>

### 33 Income tax

(See accounting policy in Note 3(N))

#### A. Amount recognised in statement of profit and loss

Current tax		
Current period (a)	1,023.00	1,240.00
Changes in estimates related to prior years (b)	-	80.00
Deferred tax		
Attributable to:		
Origination and reversal of temporary differences	(6.04)	48.80
Change in tax rate	-	(78.16)
Deferred tax (c)	<u>(6.04)</u>	<u>(29.36)</u>
Tax expense of continuing operations (a) + (b) + (c)	<u>1,016.96</u>	<u>1,290.64</u>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Tax income from discontinued operation (d)*	-	(8.56)
Tax expense for current period (a) + (c) + (d)	<u>1,016.96</u>	<u>1,202.08</u>

\*This amount has been included in determination of loss from discontinued operation, net of tax (see note 32)

During the previous year a new corporate tax rate is enacted in India for Companies having turnover of less than INR 25,000 lakhs. Consequently, as of 1 April 2018, the corporate tax rate is applicable for the Company is reduced from 34.61 percent to 29.12 percent. This has resulted in decrease of deferred tax assets of INR 78.16 lakhs as at 31 March 2018.

### B. Income tax recognised in other comprehensive income

	Year ended 31 March 2019			Year ended 31 March 2018		
	Before tax	Tax (expense) / benefit	Net of Tax	Before tax	Tax (expense) / benefit	Net of Tax
Remeasurement of defined benefit liability / (assets)	(79.79)	23.24	(56.55)	(35.27)	9.81	(25.46)
	(79.79)	23.24	(56.55)	(35.27)	9.81	(25.46)

### C. Reconciliation of effective tax rate

	Year ended 31 March 2019		Year ended 31 March 2018	
Profit before tax	3,468.39		3,279.38	
Tax using the Company's domestic tax rate	29.12%	1,010.00	34.61%	1,134.93
Effect of:				
Non deductible expenses	0.55%	18.94	-0.77%	(25.27)
Tax exempt income	-0.35%	(11.98)	0.43%	14.26
Change in tax rate	0.00%	-	2.38%	78.16
Effective tax rate	29.32%	1,016.96	36.65%	1,202.08

### D Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following

	Deferred tax assets		Deferred tax (liabilities)		Net Deferred tax assets / (liabilities)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Property, plant and equipment	-	-	(198.02)	(209.29)	(198.02)	(209.29)
Investments at FVTPL	-	-	(5.46)	(17.35)	(5.46)	(17.35)
Impairment of Property, plant and equipment	86.18	86.18	-	-	86.18	86.18
Provisions - employee benefits	133.06	141.72	-	-	133.06	141.72
Loss allowance on trade receivables	337.66	324.27	-	-	337.66	324.27
Other provisions	70.73	69.35	-	-	70.73	69.35
Deferred tax assets / (liabilities)	627.63	621.52	(203.48)	(226.64)	424.15	394.88
Offsetting of deferred tax assets and deferred tax liabilities	(203.48)	(226.64)	203.48	226.64	-	-
Net deferred tax assets / (liabilities)	424.15	394.88	-	-	424.15	394.88

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

### Movement in temporary differences

	Balance at 01 April 2017	Recognised in		Balance as at 31 March 2018	Recognised in		Balance as at 31 March 2019
		Statement of profit and loss	OCI		Statement of profit and loss	OCI	
Property, plant and equipment	(250.05)	40.76	-	(209.29)	11.27	-	(198.02)
Investments at FVTPL	(12.03)	(5.32)	-	(17.35)	11.89	-	(5.46)
Impairment of Property, plant and equipments	86.18	-	-	86.18	-	-	86.18
Provisions - employee benefits	71.16	60.75	9.81	141.72	(31.89)	23.24	133.06
Loss allowance on trade receivables	371.53	(47.26)	-	324.27	13.39	-	337.66
Other provisions	80.36	(11.01)	-	69.35	1.38	-	70.73
	347.15	37.92	9.81	394.88	6.04	23.24	424.15

### 34 Financial instruments - Fair value and risk management

#### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	31 March 2019			31 March 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<i>Financial assets measured at fair value</i>						
Investments						
Debt instruments	970.65	-	-	756.31	-	-
Mutual funds	779.27	-	-	-	-	-
Equity instruments	1.84	-	-	1.99	-	-
<i>Financial assets not measured at fair value</i>						
Loans	-	-	56.15	-	-	57.47
Trade receivables	-	-	3,293.35	-	-	2,796.12
Cash and cash equivalents	-	-	1,458.55	-	-	1,138.34
Other bank balances	-	-	6,672.27	-	-	6,172.95
Other financial assets	-	-	348.30	-	-	664.55
Total financial assets	1,751.76	-	11,828.62	758.30	-	10,829.43
<i>Financial liabilities not measured at fair value</i>						
Trade payables	-	-	2,987.39	-	-	2,644.05
Other financial liabilities	-	-	211.13	-	-	150.24
Total financial liabilities	-	-	3,198.52	-	-	2,794.29

The Company has not disclosed fair values of financial instruments such as loans, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities, since their carrying amounts are reasonable approximates of fair values.

#### Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table shows the levels in the fair value hierarchy as at each period:

	31 March 2019			31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments						
Debt instruments	970.65	-	-	756.31	-	-
Mutual funds	779.27	-	-	-	-	-
Equity instruments	1.84	-	-	1.99	-	-





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

### B. Financial risk management

The Company business activities are exposed to a variety of financial risks, namely credit risk, liquidity risk and market risk. The Company's management has the overall responsibility for establishing and governing the Company risk management framework. The Company risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the audit committee of the Company.

#### i. Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Company's trade receivables and other financial assets.

The carrying amount of financial assets represents the maximum credit exposure which is as follows:

	Carrying amount	
	As at 31 March 2019	As at 31 March 2018
Investments	1,751.76	758.30
Trade receivables	3,293.35	2,796.12
Loans	56.15	57.47
Other financial assets	348.30	664.55
	<u>5,449.56</u>	<u>4,276.44</u>

#### Investments

The Company limits its exposure to credit risk by investing in debt securities and minimum investment being made in equity instruments. The credit worthiness of the counterparties of the investments made are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

#### Trade receivables

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Credit risk is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts that represents its estimate of incurred losses in respect of the Company's trade receivables.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses.

#### Loans

This balance constitute of rental deposits given to lessors and Electricity deposit given to Electricity Board. The Company does not expect any losses from non-performance by these counter parties.

#### Other financial assets

Other financial assets comprises of deposits with bank and financial institutions and interest accrued on such deposits. These deposits are held with credit worthy banks and financial institutions. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

Other financial assets also comprise of export benefits receivable and employee advances. The Company is confident of collection the amounts and is considered to good with low credit risk.

#### ii. Liquidity risks

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

Cash flow from operating activities provides the funds to service and finance the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the balance sheet date.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

### B. Financial risk management (Continued)

#### ii. Liquidity risks

	Carrying amount	Contractual cash flows		
		Payable within 1 year	More than 1 year	Total
As at 31 March 2019				
Trade payables	2,987.39	2,987.39	-	2,987.39
Other financial liabilities				
Rental deposits	0.10	-	0.10	0.10
Caution deposits	27.50	-	27.50	27.50
Payable towards purchase of property, plant and equipment	8.40	8.40	-	8.40
Payable to directors	43.30	43.30	-	43.30
Unclaimed dividend	131.83	131.83	-	131.83
	3,198.52	3,170.92	27.60	3,198.52
As at 31 March 2018				
Trade payables	2,644.05	2,644.05	-	2,644.05
Other financial liabilities				
Rental deposits	0.10	-	0.10	0.10
Caution deposits	27.50	-	27.50	27.50
Payable towards purchase of property, plant and equipment	-	-	-	-
Payable to directors	40.50	40.50	-	40.50
Unclaimed dividend	82.14	82.14	-	82.14
	2,794.29	2,766.69	27.60	2,794.29

#### iii. Market risks

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk).

#### Currency risk

Foreign currency risk arise in USD denominated transactions mainly from export of OTC products and import of raw materials and packing materials that gives rise to exchange rate fluctuation risk.

As at 31 March 2019

Financial assets	Amount
Trade receivables	70.35
Net assets	70.35

As at 31 March 2018

Financial assets	Amount
Trade receivables	85.15
Net assets	85.15

#### Sensitivity analysis

A reasonably possible strengthening / (weakening) of the INR against US dollar at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2019				
USD (1% movement)	0.70	(0.70)	0.50	(0.50)
As at 31 March 2018				
USD (1% movement)	0.85	(0.85)	0.60	(0.60)



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

### 35 Operating Leases

(See accounting policy in Note 3(L))

Leases as lessee

The Company has leasing arrangements in respect of operating leases for offices, warehouses and vehicles. The period of these lease arrangements range between 12 months to 83 months and are usually renewable by mutual consent on agreed terms.

#### i. Future minimum lease payments

The lease arrangements entered into by the Company for offices and warehouses are cancellable with prior notice. The Company does not have any future minimum lease payments as at the balance sheet date.

#### ii. Amounts recognised in statement of profit and loss

	Year ended 31 March 2019	Year ended 31 March 2018
Lease expense – minimum lease payments	113.21	116.24

### 36 Contingent liabilities and commitments

(to the extent not provided for)

Contingent liabilities

Claims against the Company not acknowledged as debts

Sales tax matters (refer note (i) below)	401.96	382.10
Other matters (refer note (ii) below)	760.50	760.50

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(ii) Lease rent in respect of lease hold land has been revised by Government of Tamil Nadu with retrospective effect from November, 2001. The Company has contested the said revision before the Honourable Madras High court in writ petition

(iii) In light of recent judgment of Honorable Supreme Court dated 28 February 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Miscellaneous Provisions Act 1952, there are significant uncertainties in determining the liability including, period of assessment, application of present and past employees and assessment of interest and penalties. Considering these interpretive challenges, the amount of the obligation cannot be measured with sufficient reliability for past periods and hence disclosed as a contingent liability.

Commitments

Estimated amount of contracts remaining to be executed on capital account (net of capital advance) and not provided for

35.15	-
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### 37 Related party transactions

List of related parties with whom transactions have taken place during the year :

Nature of relationship	Name of the related party
Key Management Personnel	S Sambhu Prasad, Chairman & Managing Director

#### A. Transactions with key management personnel

Key management personnel compensation

	Year ended 31 March 2019	Year ended 31 March 2018
Short-term employee benefits	106.62	105.50
Post employment benefits	21.95	21.95
Dividend paid	107.03	93.17

Compensation of the Company's key managerial personnel includes salaries, non-cash benefits and commission on profits.

Balance payable to key management personnel	15.00	15.00
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All transactions with these related parties are priced on an arm's length basis and resulting outstanding balances are to be settled in cash.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

### 38 Operating segments

#### A Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components and for which discrete financial information is available. All operating segments operating results are reviewed regularly by the Company's chief operating decision-maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has determined following reporting segments based on the information reviewed by the CODM:

Reportable segments	Operations
OTC Products	Manufacturing products of pain management, congestion management and hygiene
Beverages	Manufacturing fruit juices and oral rehydration drinks
Others	Pain management center Chemical division (Discontinued)

#### B Information about reportable segments

	Year ended 31 March 2019	Year ended 31 March 2018
(i) Segment revenue		
OTC Products	23,073.35	19,221.81
Beverages	2,075.98	2,621.54
Others	173.40	310.11
Total revenue from operations	25,322.73	22,153.46
(ii) Segment results		
OTC Products	3,645.74	3,362.48
Beverages	(367.80)	(537.50)
Others	(153.94)	(20.94)
Total segment results	3,124.00	2,804.04
Less :		
Finance costs	8.22	12.68
Other unallocable expenditure net of unallocable income	(400.95)	(317.52)
Exceptional items	-	(186.68)
Profit before tax	3,516.73	3,295.56
Tax expenses	1,016.96	1,290.64
Profit for the year from continuing operations	2,499.77	2,004.92
Loss for the year from discontinued operation	(48.34)	(7.62)
Profit for the year	2,451.43	1,997.30
(iii) Assets		
Total assets for reportable segments		
OTC Products	6,664.80	5,555.02
Beverages	1,071.10	1,411.63
Others	88.93	261.62
Unallocated assets	10,936.51	9,396.75
Total assets	18,761.34	16,625.02
(iv) Liabilities		
Total liabilities for reportable segments		
OTC Products	3,021.25	2,791.94
Beverages	644.66	522.20
Others	50.00	55.87
Unallocated liabilities	471.80	389.10
	4,187.71	3,759.11



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)**

(All amounts are in Indian Rupees lakhs)

**C Geographical information / disaggregation of revenue from contracts with customers**

	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from sale of goods		
India	24,557.61	21,346.05
Other countries	465.85	382.08
<b>Total</b>	<b>25,023.46</b>	<b>21,728.13</b>

**D Major customer**

The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

**39 Disclosure on specified bank notes (SBNs)**

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

**40 Details of research and development income and expenditure**

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Other income	(8.72)	(4.40)
Employee benefits expense	58.68	60.97
Legal and professional charges	23.40	23.40
Repairs and maintenance	12.35	12.40
Power and fuel	11.4	0.85
Miscellaneous expenses	-	-

**41 Micro, Small and Medium enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 28 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). The disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars

	31 March 2019	31 March 2018
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year;	52.96	52.52
(b) interest due thereon;	1.32	0.36
(c) the amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	31.21	29.89
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 - (contd.)

(All amounts are in Indian Rupees lakhs)

### 42 Share split

The share holders of the Company have approved the sub-division of 14,615,315 equity shares having a face value of INR 2 each into 29,230,630 equity shares having a face value of INR 1 each through postal ballot. The record date for the sub-division is 16 April 2018. The earnings per share information in the financial statements reflect the effect of sub-division for each of the years presented.

As per our report of even date attached

for B S R & Co. LLP  
Chartered Accountants

Firm's Registration Number : 101248W/W-100022

K Raghuram  
Partner

Membership no: 211171

Place: Chennai  
Date: 23 May 2019

for and on behalf of the Board of Directors of  
Amrutanjan Health Care Limited  
CIN : L24231TN1936PLC000017

S Sambhu Prasad  
Chairman & Managing Director  
DIN: 00015729

N Swaminathan  
Chief Financial Officer

Dr. H.B.N Shetty  
Director  
DIN: 00015465

M Srinivasan  
Company Secretary



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Amrutanjan

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# ELECTRO<sup>+</sup>







**Amrutanjan health Care Limited**

CIN: L24231TN1936PLC000017

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