

44th

ANNUAL REPORT
2003 - 2004



ANUH PHARMA LTD.

MEHTA MAHAL, 15, MATHEW ROAD, OPERA HOUSE, MUMBAI - 400 004.

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ANUH PHARMA LTD.

**Forty-Fourth Annual Report of the Board of Directors
with the Audited Statement of Accounts
for the year ended 31st March 2004**

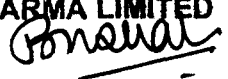
Board of Directors : Mr. J. P. Shah
Mr. L. P. Shah
Mr. Bharat N. Shah
Mr. S. P. Sonawala
Mr. Jagdish M. Mehta
Mr. J. G. Shah
Mr. Bipin N. Shah, Managing Director

Auditors : M/s. S. I. MOGUL & CO.
Chartered Accountants
Mumbai.

Bankers : BANK OF INDIA

Registered Office : Mehta Mahal,
15 Mathew Road,
Opera House,
Mumbai - 400 004.

Factory : E-17/3 M.I.D.C.
Tarapur, Boisar,
Dist. Thane - 401 506.

CERTIFIED TRUE COPY.
For ANUH PHARMA LIMITED

DIRECTOR

ANUH PHARMA LTD.**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the **FORTY-FOURTH ANNUAL GENERAL MEETING** of the Members of M/s. **ANUH PHARMA LIMITED** will be held at 12.30 p.m. on **Friday, 24th September, 2004** at "**Utsav Hall**", Samrat Restaurant, J. Tata Road, Churchgate, Mumbai - 400 020, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2004 and the Profit and Loss account for the year ended on that date and the Reports of the Directors' and Auditors', thereon.
2. To recommend declaration of Dividend, if any, for the financial year ended 31st March 2004.
3. To appoint a Director in place of Mr. S. P. Sonawala who retires by rotation and, being eligible, offers himself for re-appointment .
4. To appoint a Director in place of Mr. J. P. Shah who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors of the company and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass, with or without modification, as an Ordinary Resolution, the following:

"RESOLVED THAT Mr. Jagdish M. Mehta, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 137 of the Articles of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting and being eligible for re- appointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956, proposing his candidature as a Director of the Company, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT, pursuant to Sections 198, 269 and 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the reappointment of and remuneration of Mr. Bipin Shah as Managing Director of the Company for a period of five years with effect from 1st April, 2004 till 31st March, 2009 on the terms and conditions (including remuneration) as set out in Notice for this meeting with the liberty to the Board to alter or vary the terms of remuneration, as the Board may deem fit."

Place : Mumbai

Dated : 24th August, 2004

For and on behalf of the Board of Directors

Sd/-

J. P. SHAH - Chairman

Registered Office :

Mehta Mahal,
15 Mathew Road,
Mumbai - 400 004.

ANUH PHARMA LTD.**NOTES :**

1. The Register of Members and Share Transfer Book of the Company shall remain closed from 17th September 2004 to 24th September 2004 (both days inclusive)
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
4. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 7 days before the Annual General Meeting so that the same can be suitably replied.
5. Those Members who have so far not encashed their Dividends for earlier financial years may claim or approach the Company for payment, otherwise, the same will be transferred to the notified Fund as per the provision of Section 205 of the Companies Act, 1956.
6. Members are requested to notify change in address, if any, immediately to the Company at its Registered Office, quoting their Folio Numbers.
7. The relative Explanatory statement, pursuant to Section 173(2) in respect of the special business set out in the accompanying Notice is annexed hereto.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 6**

Mr. Jagdish M. Mehta was appointed as an Additional Director of the Company with effect from 24th August, 2004 under Article 137 of the Articles of Association of the Company. As per the provisions of Section 260 of the Companies Act, 1956 Mr. Jagdish M. Mehta holds office as a Director upto the date of the ensuing Annual General Meeting of the Company.

A notice in writing has been received from a member of the Company under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Jagdish M. Mehta as a candidature for the office of Director of the Company. The requisite sum of Rs. 500/- as a deposit has been duly received from the member.

The Board recommends his appointment.

None of the Directors are, in any way, concerned or interested in the resolution.

ANUH PHARMA LTD.**Item No. 7**

The Board of Directors of the Company at its meeting held on 28th April, 2004 reappointed Mr. Bipin Shah as Managing Director of the Company for a period of five years with effect from 1st April, 2004 subject to the approval of the Members of the Company.

The Board is of the opinion that it is in the interest of the Company that Mr. Bipin Shah be reappointed as the Managing Director of the Company. Hence, the Board recommends to the Members his reappointment as a Managing Director of the Company.

The terms and conditions of the appointment are:

- i) Salary payable will be Rs. 50,000/- per month with such further increments at the rate of Rs. 3,000/- per month, after completion of every year of service.
- ii) Commission on net profit – at such rate as may be decided by the Board of Directors from time to time subject to a minimum of one percent(1%)

Part A

- a. **Medical Reimbursement** – Expenses incurred for self and family, including dependant parents subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- b. **Leave Travel Concession** – For self and family once a year incurred in accordance with the rules of the Company.
- c. **Personal Accident Insurance** – Premium not exceeding Rs. 2,000/- per annum
- d. **Entertainment Expenses** - Reimbursement of entertainment expenses actually incurred in the course of business of the Company.

Part B

- (a) **Provident Fund :**
Company's contribution subject to a ceiling as laid down by the Government from time to time.
- (b) **Gratuity :** Gratuity payable shall not exceed half a month's salary for each completed year of service and which shall be subject to the maximum amount as may be permitted under the company's rules in relation to Gratuity prevailing from time to time.



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Part C

The Company shall provide a car with a driver and a telephone at his residence.

The Managing Director shall be entitled to earned privilege leave on full pay and allowances as per rules of the company but not more than one month's leave for every eleven months of service.

The accumulated leave can be encashed at the end of the service.

In accordance with the provisions of Section 269 and 309 of the Act, the terms of remuneration specified above are now being placed before the Members in General meeting for their approval.

This may be treated as an abstract of the terms of reappointment of Mr. Bipin Shah pursuant to the provisions of Section 302 of the Act.

Mr. Bipin Shah, Managing Director is concerned or interested in this resolution accompanying notice as it is for his own reappointment. Also Mr. Bharat Shah, Director, who is a brother of Mr. Bipin Shah is also interested being a relative of Mr. Bipin Shah.

For and on behalf of the Board of Directors

Place : Mumbai

Dated : 24th August, 2004

Sd/-

J. P. SHAH-CHAIRMAN

ANUH PHARMA LTD.**DIRECTORS' REPORT**

Your Directors have pleasure in placing before you, the Forty-Fourth Annual Report of the Company along with the Accounts for the year ended 31st March 2004 :

FINANCIAL HIGHLIGHTS

ACCOUNTING YEAR	(Rupees in Lakhs)	
	2003-04	2002-03
Sales	5355	3567
Other Income	192	150
Profit before interest, depreciation and taxation	868	543
Interest	3	2
Depreciation	35	17
Provision for taxation (net)	224	139
Profit after tax	606	385
Profit & Loss Account balance B/f	133	96
Profit available for Appropriation	739	481
Transfer to General Reserve	450	250
Interim Dividend paid / Dividend (Proposed)	104	87
Tax on Dividend	13	11
Balance carried to the Balance Sheet	172	133

DIVIDEND

The company distributed an Interim Dividend of Rs. 15.00 per Equity Share (150%) during the month of May 2004. Your Directors do not recommend payment of any further Dividend for the year under review. Last year the company paid a Dividend of Rs. 12.50 per Equity Share.

OPERATIONS

The sales and operating income for the year ended 31st March 2004 amounted to Rs. 535.5 million as against Rs. 356.7 millions for the previous year. The turnover of the company showed a robust growth of 50.1% over the last year's turnover.

FINANCE

The company continues to maintain its "zero" debt status as of today. The company invested the surplus funds in various debt funds and short term deposits.

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EXPORTS

The exports for the year ended 31st March 2004 have increased to Rs. 326.5 millions as against Rs. 222.8 millions in the previous year, showing a growth of 46.5%.

AWARDS

The Directors are pleased to inform the members that the Federation of Indian Export Organisations set up by Ministry of Commerce, Government of India, has once again nominated your company to receive "NIRYAT SHREE" export award for its export performance during the year 2002-03.

CURRENT OUTLOOK

The market conditions for the company's products remain to be stable and your Directors expect the company to achieve satisfactory growth in turnover and profits in the current year also. With the various initiatives taken to improve productivity, along with stringent cost control measures, management aims at a better performance in the current year.

DIRECTORS

The Board, subject to the approval of members has reappointed Mr. Bipin Shah as Managing Director for a fresh term of five years with effect from 1st April, 2004. Necessary resolution for Mr. Bipin Shah's reappointment has been included in the notice for the forthcoming Annual General Meeting of the Company.

Mr. J. P. Shah and Mr. S. P. Sonawala retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment.

Our Director Mr. Kantilal M. Chokshi has retired as a Director in August 2004. The Board places on record, its appreciation of the support, guidance and the invaluable contribution made by him to the progress of the Company during his tenure as Director of the Company.

Mr. Jagdish M. Mehta was appointed as an additional Director of the Company with effect from 24th August 2004.

Mr. Mehta has nearly 30 years experience as a Solicitor. His knowledge and experience will therefore benefit the Company.

PARTICULARS OF EMPLOYEES

Particulars of employees as required u/s 217 (2A) of the Companies Act, 1956 are not annexed since there are no employees drawing remuneration of more than Rs. 24,00,000/- per annum during the year under review, if employed for full year or more than Rs.2,00,000/- per month, if employed for part of the year.

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DIRECTOR'S RESPONSIBILITY STATEMENT

U/S 217 (2AA) of the Companies Act, 1956

The Directors confirm that in the preparation of the annual accounts for the year ended 31st March 2004

- i) The applicable accounting standards have been followed along with proper explanations relating to material departures, if any
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit or loss of the company for the period ended 31st March 2004.
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors had prepared the annual accounts on a going concern basis.

LISTING ON THE STOCK EXCHANGES

The Company's shares are listed with The Stock Exchange, Mumbai and the company has paid the necessary listing fees for the financial year 2004-05.

The Company already got Connectivity with NSDL & CDSL for trading of its shares in dematerialization form. The ISIN Number of the Company is INE 489G01014

FIXED DEPOSITS

The Company has not accepted or renewed any Fixed Deposits within the meaning of Section 58-A of the Companies Act, 1956.

OBSERVATIONS MADE IN AUDITORS REPORT AND COMPLIANCE CERTIFICATE :

With reference to the remark made by the Auditors in Note No 10 of Schedule 21 regarding giving of loans to other Company under same management during the previous years U/s. 295 of the Companies Act, 1956, the Directors would like to inform that the Company has recovered all the outstanding loans.

Also with reference to the remark made by the Auditors regarding the internal audit systems, your Directors like to state that the Company has sufficient internal control system in place commensurate with the size of its operations.

The Company had received a notice under the provisions of Section 205 (C) of the Companies Act, 1956 from the office of the Registrar of Companies, Maharashtra for late payment of unpaid/unclaimed dividend to the Investor's Education & Protection Fund. Your Directors like to state that due to an oversight, unpaid/unclaimed dividend for the F.Y-1990-1991, which was lying deposited in separate bank account and was transferred late to the above Fund. This was only a technical lapse. Since then the Company is regularly complying with the provisions of Sec. 205 (C) of the Companies Act, 1956.



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CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO (Section 217 (1)(e))

As required under Rule 2 of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 the particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo is given in Annexure 'A' & 'B' and forming part of this report.

During the year, the Foreign Exchange earnings has been to the extent of Rs. 320.10 millions (FOB) from exports and the Foreign Exchange outgo has been to the extent of Rs. 351.85 millions for imports of basic raw materials and for incurring travelling expenses for export promotion.

SECRETARIAL COMPLIANCE REPORT

As per the provisions of Section 383(A) of the Companies Act, 1956 our Company was required to obtain a Compliance Certificate from a Practicing Company Secretary. The Board of Directors have obtained the necessary Compliance Certificate for the F.Y. 2003-04 from M/s. Sanjay Doshi & Associates, Company Secretaries and the same is attached herewith.

AUDITORS

M/s. S. I. Mogul & Co., Chartered Accountants, the Statutory Auditors of the Company retire at this Annual General Meeting and are eligible for the reappointment as Auditors of the company to hold the office from the date of this Annual General Meeting until the conclusion of the next Annual General Meeting. The Directors recommend reappointing M/s. S. I. Mogul & Co., as auditors of the company. A certificate has been received from the Auditors to the effect that their reappointment, if made, would be within the prescribed limits u/s. 224 (1B) of the Companies Act, 1956.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and cooperation received from our bankers, employees, auditors and consultants during the period under review. The Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by employees at all levels. The Directors also place on records their gratitude to the Members for their continued support and confidence.

Place : Mumbai

Dated : 24th August, 2004

For and on behalf of the Board of Directors

Registered Office :
Mehta Mahal,
15 Mathew Road,
Mumbai - 400 004.

Sd/-
J. P. SHAH
Chairman