

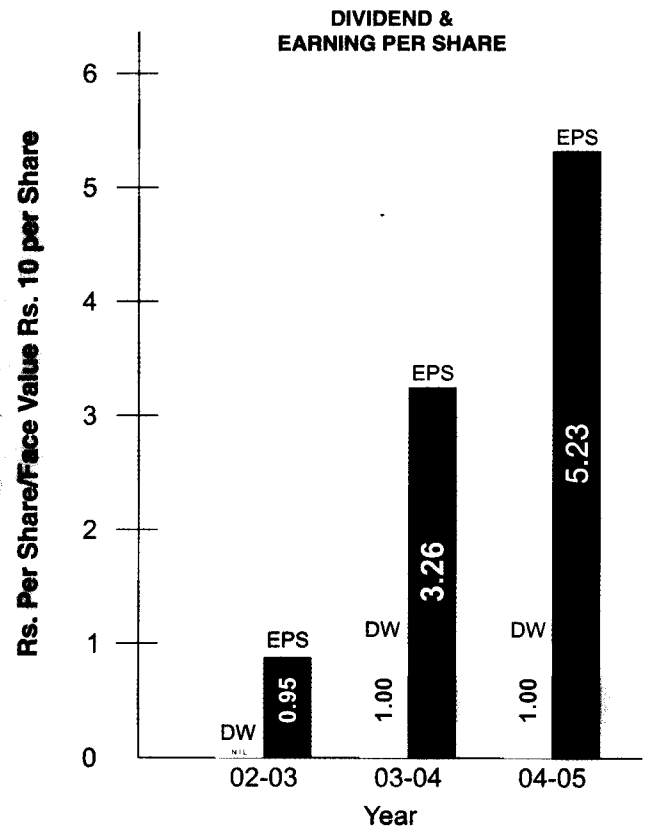
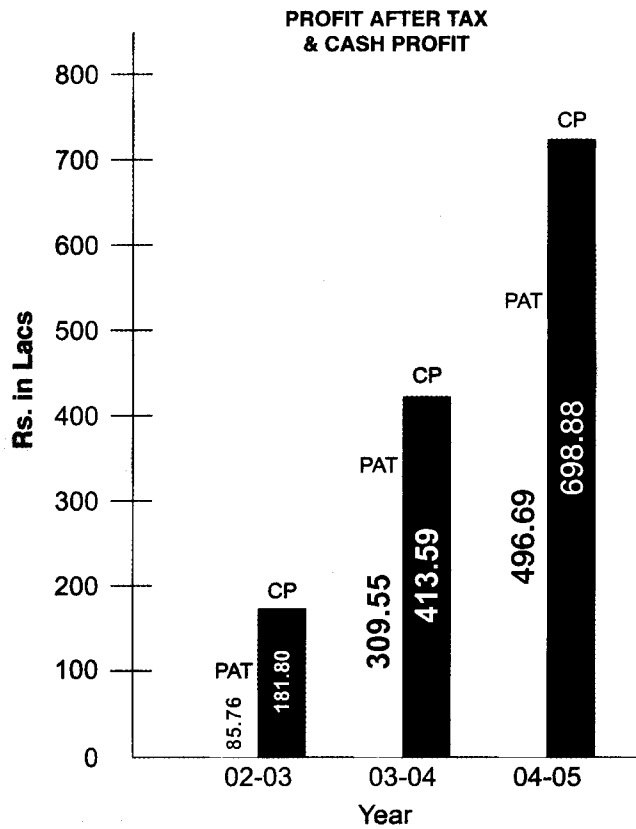
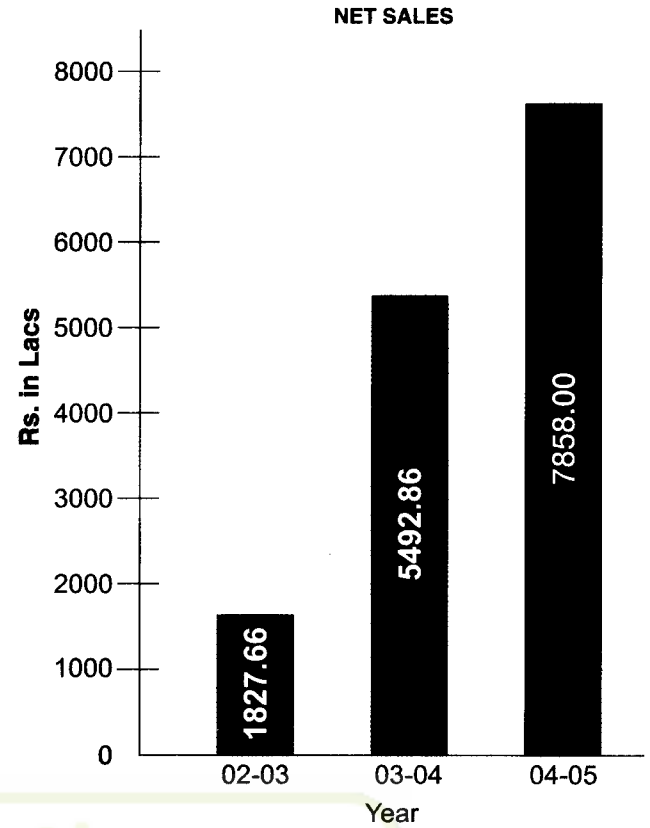
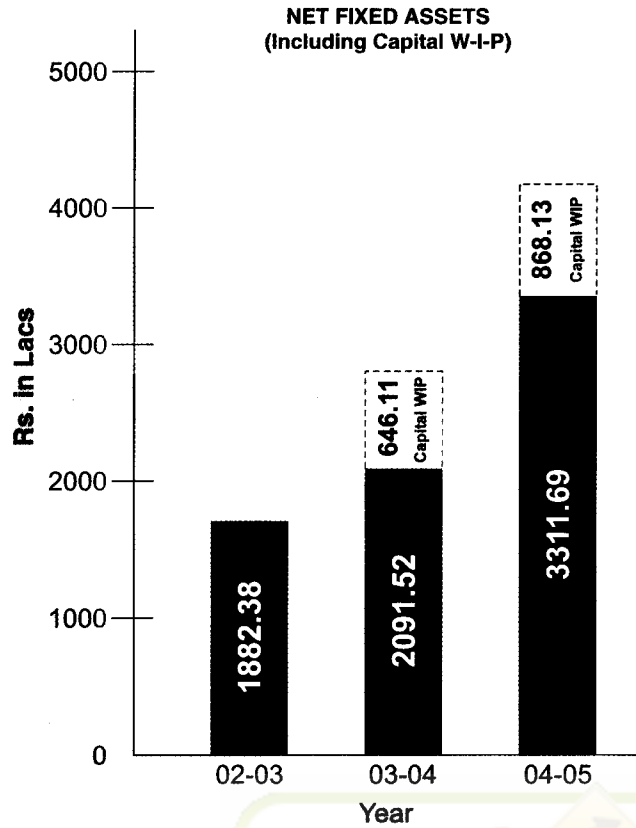
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*has started flowering into a ...*

### THREE YEARS COMPARATIVE PERFORMANCE CHARTS



**BOARD OF DIRECTORS**

Mr. Purnandu Jain - Chairman & Managing Director  
 Mr. Lalit Agarwal - NED - I  
 Mr. Girraj Vijayvargiya - NED - I  
 Mr. Dileep Shinde - NED - I

NED-I - Non Executive Director - Independent

**REGISTERED OFFICE**

C-306, Crystal Plaza, Andheri Link Road,  
 Andheri (West), Mumbai - 400 053.  
 Tel : (022)-26733683; Fax : (022)-26733687,  
 Email : adpl@vsnl.net, Web : www.ankurdrugs.com

**MANUFACTURING UNITS**

- 1) Plot No. 3 & 4, Survey No. 168,  
 Dabhel Industrial Co-operative Society Limited  
 Village Dabhel, Nani Daman (U.T.) 396 210.  
 Tel : (0260)-2240980; Fax : (0260)-2242412
- 2) Village Makhnu Majra, Tal. Nalagarh, Dist. Solan,  
 P. O. Baddi, Himachal Pradesh - 173 205.  
 Tel.: 01795-246746, 247648, Fax : 01795-247649  
 (Under Construction)

**AUDITORS**

M/s. M. G. Vashi & Co.  
 Chartered Accountants  
 801/A, Sunflower, Gundecha's Valley of Flowers,  
 Thakur Village, Kandivali (E), Mumbai - 400 101.

**COMPANY SECRETARY**

Mr. S. C. Rane

**BANKERS**

Canara Bank, Mumbai  
 Corporation Bank, Mumbai  
 State Bank of Indore, Mumbai  
 The Development Credit Bank Ltd, Vapi  
 Punjab National Bank, Baddi

**REGISTRAR & SHARE TRANSFER AGENTS**

Choksh Infotech Limited  
 Unit : Ankur Drugs and Pharma Limited  
 106, MHADA Commercial Complex,  
 Next to Oshiwara Police Station,  
 Adarsh Nagar, Andheri (West), Mumbai - 400 102.  
 Tele/Fax. : (022)-26349264,  
 Email : choksh@vsnl.com

**ANNUAL GENERAL MEETING**

Day : Friday  
 Date : September 30, 2005  
 Time : 10.30 A.M.  
 Venue : PAPILLON PARK,  
 Opp. Tata Power House,  
 Jeevan Nagar,  
 Andheri Link Road, Andheri (W)  
 Mumbai - 400 053.

**PROPOSED DIVIDEND**

10 %

**DIVIDEND ELIGIBILITY**

For Registered Members  
 Physical Shares : As on September 22, 2005.  
 Demat Shares : As at the close of Business hours on  
 September 21, 2005, as per the list of  
 beneficial ownership furnished by the  
 Depositories.

**BOOK CLOSURE**

Thursday September 22, 2005 to Friday September 30, 2005

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## NOTICE

NOTICE is hereby given that the **Eleventh Annual General Meeting** of the Members of **ANKUR DRUGS AND PHARMA LIMITED** will be held on Friday, September 30, 2005 at Papillon Park, Opp. Tata Power House, Jeevan Nagar, Andheri Link Road, Andheri (West), Mumbai- 400 053, at 10.30 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2005 and the Profit & Loss Account of the company for the year ended on that date along with the reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a director in place of Mr. Lalit Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. M. G. Vashi & Co., Chartered Accountants as auditors of the company to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

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

**“RESOLVED THAT** the consent of the Company be and is hereby accorded to the Board of Directors pursuant to Section 293(1)(d) and other applicable provision if any of the Companies Act, 1956 to borrow monies from time to time, either by way of rupee loans or by way of foreign currency loans or by way of issue of debentures or by issue of any other instruments and either from the Company's Bankers or from any other Bank / Financial Institution or from any other Lending Institution or Bodies Corporate or Other Persons, on such terms and conditions and covenants stipulated and as may be considered appropriate by the Board of Directors, not exceeding in the aggregate at any point of time Rs.150 Crores (Rupees One Hundred & Fifty Crores) notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to finalise, settle and execute all documents / deeds / agreements as may be required to take all necessary steps and to do all acts, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating the aforesaid mortgages / charges or otherwise considered by the Board of Directors to be in the best interest of the Company.”

Registered Office :  
C-306, Crystal Plaza, Andheri Link Road,  
Andheri (West), Mumbai - 400 053.

Date : August 31, 2005.

**By Order of the Board of Directors**

**S. C. RANE**  
Company Secretary

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF / HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 with respect to item no.5 of the Notice set out above stated in annexure to notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 22, 2005 to Friday, September 30, 2005 (both days inclusive) for payment of dividend. Share transfer requisitions received at the Registrars's office or at the registered office by 5.30 p.m. on Wednesday, September 21, 2005, will be eligible for payment of dividend subject to the provisions of section 206A of the Companies Act, 1956. In respect of shares held in electronic form the dividends will be paid on the basis of beneficial ownership as per the details furnished by the depositories for this purpose.
4. Members/Proxies are requested to bring their copies of the Annual Report to the meeting and handover the attendance slip duly signed at the entrance hall of the meeting. Members who hold shares in dematerialised form are requested to bring their Client ID no. and DP ID no. for easy identification of attendance at the meeting.

5. The company will extend Electronic Clearing System (ECS) facility to its members for automatic credit of dividend payment to their bank accounts. ECS eliminates the risk of loss in transit/tampering/delayed delivery/fraudulent encashment of dividend warrant. The ECS Mandate Form is perforated at the end of the report for your use.
6. Member seeking any information or clarification on the Accounts are requested to send in written queries to the company at least one week before the date of the Annual General Meeting. Replies will be provided in Annual General Meeting in respect of such written queries.
7. Members are requested to send ECS form duly filled in directly to the Company's Registrar & Share Transfer Agents. Any change in address also be notified to them at the following address :

Choksh Infotech Limited  
 Unit Ankur Drugs And Pharma Ltd.  
 106. MHADA Commercial Complex, Next to Oshiwara Police Station,  
 Adarsh Nagar, Andheri (West), Mumbai – 400 102. Tele/Fax : (022)-26349264

DETAILS OF DIRECTOR, PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT, SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING :

<b>Name of the Director</b>	<b>Mr. Lalit Agarwal</b>
Date of Birth	September 12, 1968
Expertise in Specific Functional Areas	Marketing
Qualifications	M.Com
List of other companies in which directorship held as on 31 <sup>st</sup> March 2005	1) Bombay Baroda Roadways (India) Ltd. 2) Dwarka Infrastructure (India) Ltd.
Chairman / Member of the Committee of the Board of other companies in which he is a Director as on 31 <sup>st</sup> March 2005.	Member of 1. Audit Committee 2. Remuneration Committee 3. Shareholders' Grievance Committee
No. of Shares held	NIL

#### ANNEXURE TO NOTICE :

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement set out all material facts relating to the business mentioned under item No. 5 of the accompanying notice dated August 31, 2005.

#### ITEM NO 5

Section 293(1)(d) of the Companies Act, 1956 requires the consent of the shareholders in General Meeting for authorizing the Board of Directors to borrow monies from time to time, for the purposes of the Company, where monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans/facilities obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.

The members of the Annual General Meeting of the Company held on September 30, 2004 have authorised the Board of Directors to borrow monies upto a sum of Rs. 100 Crores. Keeping in view the Capital Expenditure requirements and growth plan of the company to grab the expanded business opportunities in the new IPR regime, the existing borrowing limits will not be sufficient to pursue the growth plans. Therefore approval of the members is sought enabling the Board of Directors to borrow amount upto Rs. 150 Crores

None of the Directors of the Company is in any way concerned or interested in this resolution. The resolution proposed is in the interest of the company and the board recommend the resolution for your approval.



## DIRECTORS' REPORT

*Dear Members,*

Your Directors have great pleasure in presenting this Eleventh Annual Report and Audited Accounts for the year ended March 31, 2005.

### 1. FINANCIAL RESULTS

	Year Ended March 31, 2005 Rs. in Lakhs	Year Ended March 31, 2004 Rs. in Lakhs
Sales (Net)	7858.00	5492.86
Other Income	4.32	25.43
<b>Gross Profit (before Interest &amp; Depreciation)</b>	<b>1322.47</b>	<b>1036.99</b>
Deductions :		
Interest & Financial Charges	392.13	302.98 *
Depreciation	202.19	104.03
<b>PROFIT BEFORE TAXATION</b>	<b>728.15</b>	<b>629.98</b>
Add/(Less) : prior period adjustments	(4.01)	2.82
Provision for Taxation	227.45	323.25
<b>PROFIT AFTER TAXATION</b>	<b>496.69</b>	<b>309.55</b>
Surplus Brought Forward from previous year	290.74	88.61
Amount Available for Appropriation	Total 787.43	Total 398.16
Appropriation :		
Dividends Proposed	95.00	95.00
Dividend Tax	19.87	12.42
Transfer to General Reserve	75.00	-----
Surplus Balance Carried over to Next Year	597.56	290.74
	Total 787.43	Total 398.16

\* Includes 100.00 Lakhs paid as premium on pre-payment of Loan from IDBI

### 2. BUSINESS REVIEW

The year under review has been a consecutive third year of improved performance with your company achieving net sales of Rs. 7858.00 Lakhs and profit after tax of Rs. 496.69 Lakhs as compared to net sales of Rs. 5492.86 Lakhs and profit after tax of Rs. 309.55 Lakhs in the previous year.

The Indian Pharmaceutical market valued at Rs. 20,540 Crores witnessed a 4.20% value growth for the period ended March, 2005 (Source ORG-IMS retail Audit Report - March 2005)

During 2004-05, the pharmaceutical industry witnessed two major developments, namely Value Added Tax (VAT) and the introduction of the Patent Bill. The positive side of the patent regime is expected to foster cross borders alliances for CONTRACT MANUFACTURING, contract research, clinical trials and licensing, considering that India has world class capabilities to manufacture high quality drugs with world largest recognised accreditations, presence of skilled manpower and availability of large patent profile.

Ankur is a forerunner in the business of CONTRACT MANUFACTURING. Your company has accelerated its pace to occupy more space in this particular business and is a company of first choice for business alliance. During the year, steps have been taken and are being taken to enhance our manufacturing capacities which shall be helpful to scale up our top-line and bottom-line in future.

### 3. DIVIDEND

Considering the major on-going capital expenditure required for expansion plans for the next couple of years, your Board of Directors have decided to maintain the same rate of dividend as in the last year. The Board of Directors have recommended a dividend of 10%. The dividend if declared, at the Annual General Meeting will be tax-free in the hands of the shareholders.

### 4. UPGRADATION AND EXPANSION

During the year under review there has been addition to Gross Block of Rs. 1422.36 Lakhs the production benefit of which will accrue during the current year and onwards. From the third week of June, 2005 an associate concern of the company has already commenced commercial operation at Baddi (HP), where your company has already started business on loan licence basis. Further, your company is committed to set up additional facilities at Baddi (HP). The said plant under installation has world class facilities with quality system of International GMP Standards which shall also be US FDA compliant wherein manufacture of high value products for direct exports shall be under taken on behalf of Global Pharma Multinationals.

### 5. LISTING OF SHARES

The equity shares of the company are listed on The Stock Exchange, Mumbai. (BSE code - B1-531683) The listing fees for the year 2005-06 has been duly paid.

### 6. INCREASE IN BORROWING POWERS

The Company will have to borrow large amounts from time to time for the implementation of the expansion project and for meeting its long term working capital requirements and for other matters incidental to the business interest of the Company, In view of this it is proposed that the borrowing powers of the Board should be increased to Rs. 150 Crores. Section 293(1)(d) of the Companies Act, 1956 requires the consent of the shareholders in General Meeting for authorizing the Board of Directors to borrow monies from time to time, where monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans/facilities obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Share Capital of the Company and its free reserves, i.e. reserves not set apart for any specific purposes.

### 7. PUBLIC DEPOSITS

The company has not accepted any deposits from public during the year.

### 8. CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) have introduced a comprehensive code on Corporate Governance. A report is enclosed as Annexure III and forms a part of Corporate Governance Report. The certificate from the Company's Auditors confirming the compliance of conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges is also annexed.

### 9. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirm that:

1. In the preparation of Annual Accounts, the applicable accounting standards have been followed.
2. The Directors have 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 the financial year under review and for the profit and loss account for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on going concern basis.



## 10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the listing agreement with The Stock Exchange is annexed as Annexure II forming part of this report.

## 11. AUDIT COMMITTEE

The Audit Committee of the Board was formed in March, 2001 to review reports of the Corporate Audit Services Department to meet Statutory Auditors periodically and to discuss their findings, suggestions and other related matters and to review the major accounting policies followed by the Company. The Audit committee of the Board comprising of 3 Non-Executive Directors is as under:

Name of the Member	Status
Mr. Girraj Vijayvargiya	Chairman
Mr. Lalit Agrawal	Member
Mr. Dilip Shinde	Member

Mr. S. C. Rane, Company Secretary is the Secretary to Audit Committee Meetings.

## 12. INDUSTRIAL RELATIONS

Industrial relations continued to be cordial and harmonious at the manufacturing units.

## 13. DIRECTORS

During the year under review, Mr. Lalit Agarwal who retires by rotation and being eligible, offers himself for re-appointment.

## 14. AUDITORS

The auditors of your company M/s M. G. Vashi & Co. Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

## 15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

### (A) Conservation of Energy and Technology Absorption

Particulars as required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are given in the Annexure – I to this report.

### (B) Foreign Exchange Earned and Used

	2004-2005 (Rs. In Lakhs)	2003-2004 (Rs. In Lakhs)
Earned	NIL	NIL
Used	11.15	NIL



**PARTICULARS OF EMPLOYEES**

Name	Age	Designation	Date of Employment	Remuneration Rs.	Qualification	Experience	Previous Employment
Mr. Purnandu Jain	40 yrs.	Chairman & MD	23-08-2003	38,88,000	B. Com (Hon.) F. C. A.	15 Years	Self Employed

None of the other employees of the company are in receipt of remuneration in excess of limits prescribed under Section 217 (2A) of the Companies Act, 1956 and companies (Particulars of Employees Rules 1975)

**ACKNOWLEDGEMENTS**

The Directors take this opportunity to place on record their sincere gratitude for the continued support and co-operation extended to the company by the banks, business associates, medical fraternity, clients, trade, shareholders and employees at all levels.

**For and on behalf of the Board of Directors**

**Place : Mumbai**  
**Date : August 31, 2005**

**PURNANDU JAIN**  
Chairman & Managing Director





## ANNEXURE - I TO THE DIRECTORS' REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2005.

### A) Energy Conservation measures taken:

I) Power and Fuel Consumption	Unit	2004-2005	2003-2004
1) Electricity			
Purchased	KWH	17,20,750	14,22,472
Total Amount	Rs.	46,66,588	39,09,373
Average rate per unit	Rs./KWH	2.71	2.75
2) L.D.O.			
Purchased	Ltrs	93,150	71,200
Total Amount	Rs.	22,37,299	15,81,221
Average rate per unit	Rs./Ltr.	24.02	22.21
3) Others			
Diesel	Ltrs	29,800	—
Total Amount	Rs.	7,86,497	54,917
Average rate per unit	Rs./Ltr.	26.39	—

### II) Consumption per unit of Production

It is not practicable to give consumption per unit of production, since the Company manufactures different types of pharmaceutical formulations.

### B) TECHNOLOGY ABSORPTION

At the Quality Control Laboratory maintained by the company, normal quality control activities are carried out with reference to quality of raw materials and finished goods.

The company continues to run its Plant on Time Tested Standard Technology. However, no capital expenditure for technology has been incurred except for some routine and necessary revenue expenditure.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 31, 2005

**PURNANDU JAIN**  
Chairman & Managing Director

## ANNEXURE - II TO THE DIRECTORS' REPORT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### 1. Overview and Future Outlook

During 2004-05, the patent bill was finally introduced in India, which is bound to foster cross-border alliance for contract manufacturing, contract research, clinical trials and licencing, where the opportunities are tremendous.

We are thoughtfully into the business of contract/license manufacturing since your company is having the requisite **6 C's** and **1 D.**, i.e

Required **C**apacity ( we are still increasing it)  
**C**apability  
**C**ompetence  
**C**ommitment to **C**onsistent Quality  
**C**ost and  
 Prompt **D**elivery.