



Expanding for Growth

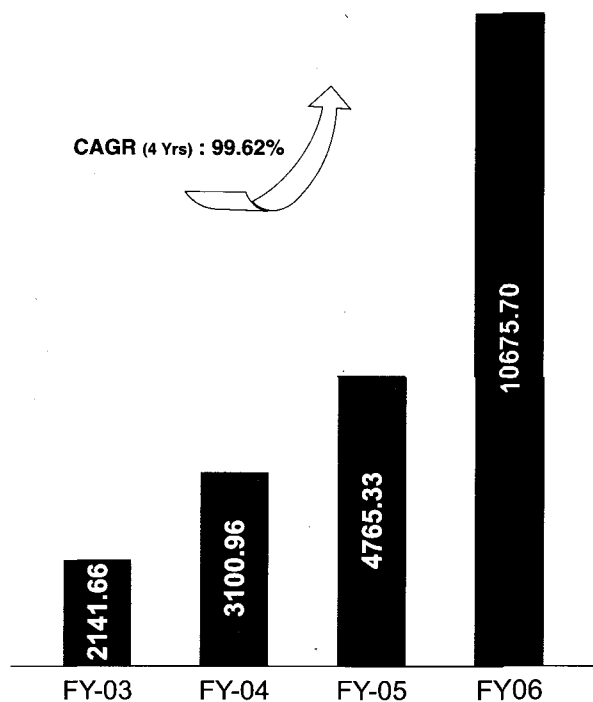
ANKUR

T W E L F T H
Annual Report 2005-2006

FOUR YEARS COMPARATIVE PERFORMANCE CHARTS

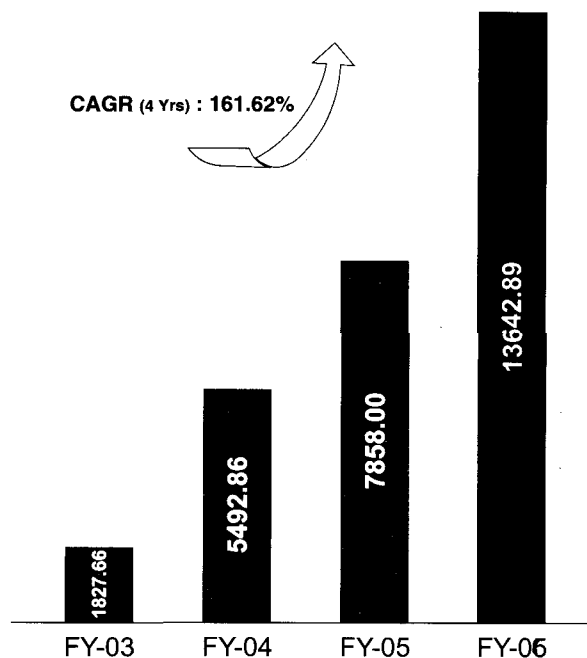
GROSS BLOCK
(Including W-I-P)
Rs in Lacs

CAGR (4 Yrs) : 99.62%



NET SALES
Rs in Lacs

CAGR (4 Yrs) : 161.62%

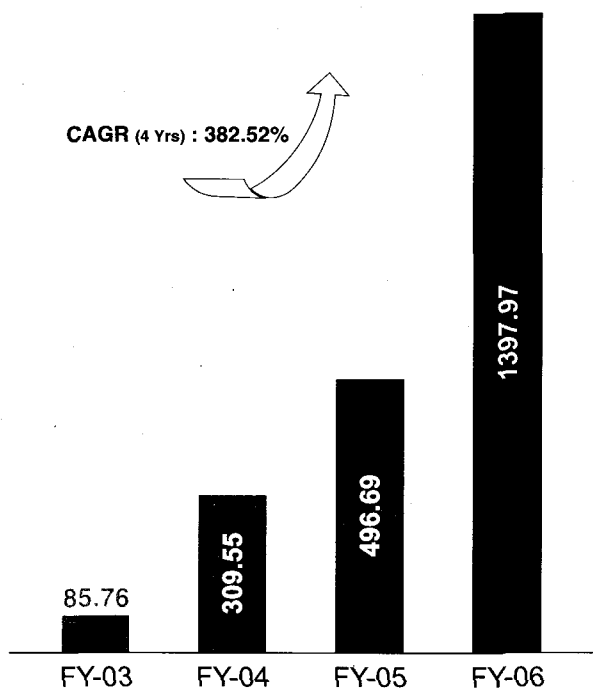


Report  www.reportjunction.com

ANKUR
DRUGS AND PHARMA LTD

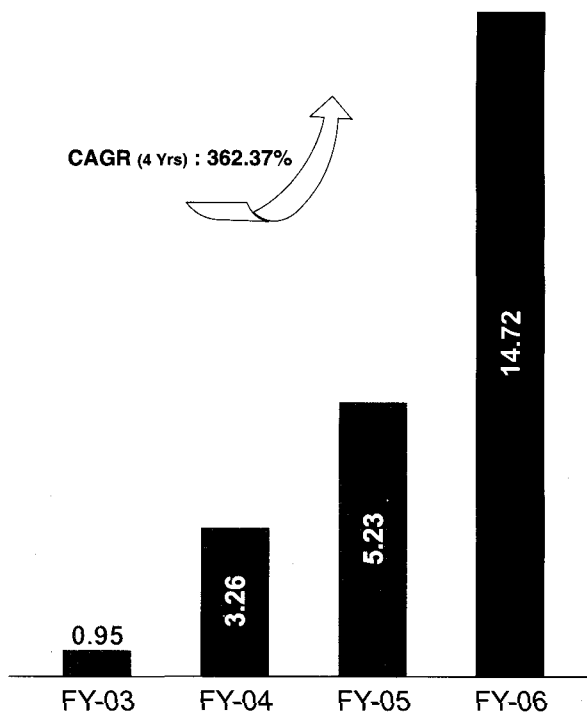
PROFIT AFTER TAX
Rs. in Lacs

CAGR (4 Yrs) : 382.52%



EARNING PER SHARE
Face Value Rs. 10 per Share

CAGR (4 Yrs) : 362.37%



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12th Annual General Meeting

Day : Saturday
 Date : September 30, 2006
 Time : 10.30 A.M.
 Venue : Garden Court,
 Veera Desai Raod,
 Andheri (West),
 Mumbai - 400 053.

BOARD OF DIRECTORS

- Mr. Purnandu Jain - Chairman & Managing Director
 Mr. Girraj Vijayvargiya - Wholetime Executive Director
 (w.e.f. April 02, 2006)
- Mr. Lalit Agarwal - NED - I
 Mr. Dileep Shinde - NED - I
 Dr. Manisha Jhaveri - NED - I (w.e.f. April 02, 2006)

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 : sheetal@ankurdrugs.com, 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.
- 2) Village Makhnu Majra, Tal. Nalagarh, Dist. Solan,
 P. O. Baddi, Himachal Pradesh - 173 205.
 (Under Construction)

Report
 AUDITORS

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

Corporation Bank, Mumbai
 ICICI Bank Ltd., Mumbai
 ING Vysya Bank Ltd., Mumbai
 State Bank of India, Mumbai
 State Bank of Indore, Mumbai

REGISTRAR &
SHARE TRANSFER AGENT

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

NOTICE

NOTICE is hereby given that the **Twelfth Annual General Meeting** of the Members of **ANKUR DRUGS AND PHARMA LIMITED** will be held on Saturday, September 30, 2006 at Garden Court, Veera Desai 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, 2006 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. Dileep Shinde who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint 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 a **Special Resolution** :

"RESOLVED THAT pursuant to provisions of the Sections 198, 269, 302, 309, 310, 311 and Schedule XIII and other applicable provisions if any of The Companies Act 1956 (including any Statutory modifications or re-enactments thereof for the time being in force) and subject to Central Govt. approvals and sanctions if necessary, approval of the Shareholders be and is hereby accorded for the appointment of Mr. Girraj Vijayvargiya as Wholetime Executive Director of the Company for a period of five years w.e.f. April 02, 2006 on terms and conditions as set out below :

1. Remuneration of Rs. 50,000 per month (Consolidated) and revised to Rs. 1,25,000 per month (Consolidated) w.e.f. September 30, 2006
2. Contribution to Provident Fund as per the Company's Rules.

and on the terms and conditions set out in the agreement entered into between the company on one hand and Mr. Girraj Vijayvargiya on the other hand, and with the discretion to the Board of Directors to alter and vary the terms and conditions of the aforesaid appointment and remuneration payable to the said Wholetime Executive Director from time to time."

"RESOLVED FURTHER THAT the appointment of Mr. Girraj Vijayvargiya as Wholetime Executive Director of the company for a period of five years w.e.f. April 02, 2006 for a consolidated remuneration of Rs. 50,000 per month plus the perquisites proposed and accepted at the meeting of the Board of Directors of the Company held on April 02, 2006 in exercise of the powers vested in the Board to appoint the Wholetime Executive Director, be and is hereby revised to Rs. 1,25,000 per month (Consolidated) approved, confirmed and ratified."

"RESOLVED FURTHER THAT that in the event of absence or inadequacy of net profit in any Financial Year the remuneration payable to Mr. Girraj Vijayvargiya shall be governed by Section II of Part II of Schedule XIII of The Companies Act, 1956 or any Statutory modification thereof."

"RESOLVED FURTHER THAT that in the event of any statutory amendment or modification or relaxation by the Central Government of Schedules XIII of The Companies Act, 1956 The Board of Directors be and is hereby authorised to vary or to increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the aforesaid agreement entered into between the Company and Mr. Girraj Vijayvargiya be suitably amended to effect such modification, relaxation or variation without any further reference to the Company in the General Meeting."

12th Annual Report 2005-2006

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

"RESOLVED THAT Dr. Manisha Jhaveri, who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold the office under Section 260 of the Companies Act, 1956, and the company has received a notice in writing under Section 257 proposing her candidature for the office of the Director, be and is hereby appointed as a Director of the Company, who will be liable to retire by rotation."

Registered Office :
C-306, Crystal Plaza, Andheri Link Road,
Andheri (West), Mumbai - 400 053.
Date : August 31, 2006.

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 ANNUAL GENERAL MEETING.
2. An Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 with respect to item No.5 and No. 6 of the Notice setting out material facts in respect of special business is annexed hereto.
3. The Register of Members and Share Transfer Register of the Company will remain closed from Friday, September 22, 2006 to Saturday, September 30, 2006 (both days inclusive) for payment of dividend. Share transfer requisitions received at the office Registrar and Share Transfer agent of the Company by 5.30 p.m. on Thursday, September 21, 2006, will be eligible for payment of dividend subject to the provisions 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. 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.
6. The company extends 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 enclosed alongwith the report for your use.
7. Members are requested to send ECS form duly filled in directly to the Company's Registrar & Share Transfer Agent, 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

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 and item no. 6 of the accompanying notice dated August 31, 2006.

ITEM NO. 5

The Board of Directors, in their Meeting held on April 02, 2006, have approved the appointment of Mr. Girraj Vijayvargiya, who was holding the position of a Non Executive – Independent Director was appointed as an Wholetime Executive Director, on a monthly remuneration of Rs. 50,000/- w.e.f. April 02, 2006 and will be revised to Rs. 1,25,000 per month (Consolidated) w.e.f. September 30, 2006. Mr. Girraj Vijayvargiya is already a Director of your Company and was the Chairman of the Audit Committee, in the previous Financial year. He is a Commerce Graduate and a Chartered Accountant-Fellow Member of ICAI. He is a Director in Anodyne Remedies India Ltd, and Vaibhav Helathcare Pvt. Ltd.

As the total monthly remuneration of Mr. Girraj Vijayvargiya is within the limits prescribed in the Act and relevant provisions, in terms of Part I of Schedule XIII of The Companies Act, 1956 hence prior approval of the Central Government is not required. The terms and conditions of appointment as set out in the agreement may be altered or varied from time to time by the Board of Directors of the Company at its discretion, deem fit, so as not to exceed any statutory modification or re-enactment thereof, for the time being or enforced or any amendments made thereof.

This may be regarded as an abstract of the agreement entered into between the Company and Mr. Girraj Vijayvargiya as Wholetime Executive Director pursuant to the Section 302 of The Companies Act, 1956. The agreement is available for inspection by the member at Registered Office of the Company during office hours on all working days except holidays between 11 a.m. to 4 p.m. upto the date of Annual General Meeting.

The Board of Directors recommend the approval of the Resolution. Except Mr. Girraj Vijayvargiya none of the other Director is deemed to be interested or concerned in the above Resolution.

ITEM NO. 6

Dr. Manisha Jhaveri was appointed as an Additional Director in the Meeting of the Board of Directors held on 2nd April 2006. According to the provision of Section 260 of the Companies Act, 1956, she holds such office up to the date of this Meeting. As required by Section 257 of the Companies Act, 1956, a notice has been received along with the deposit from a member signifying his intention to propose her appointment as a Director.

Except Dr. Manisha Jhaveri none of the other Director is deemed to be interested or concerned in the above Resolution.

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

Name of Director	Mr. Girraj Vijayvargiya	Mr. Dileep H. Shinde	Dr. Manisha Jhaveri
Date of Birth	December 12, 1968	September 23, 1950	June 20, 1971
Date of Appointment	April 02, 2006 *	August 31, 2004	April 02, 2006
Expertise in specific Functional Areas	Finance	Technical	Practicing Homeopathy
Qualifications	B. Com, F.C.A.	BTE	DHMS
Directorship held in other companies as on 31 st March 2006	Anodyne Remedies India Ltd Vaibhav Healthcare Pvt. Ltd	—	—

* Note : Appointed as Wholetime Executive Director.

Registered Office :
 C-306, Crystal Plaza, Andheri Link Road,
 Andheri (West), Mumbai - 400 053.
 Date : August 31, 2006.

By Order of the Board of Directors

S. C. RANE
 Company Secretary

12th Annual Report 2005-2006

Your Directors have pleasure in presenting this Twelfth Annual Report and Audited Accounts for the year ended March 31, 2006.

FINANCIAL RESULTS

	Year Ended March 31, 2006 Rs. In Lakhs	Year Ended March 31, 2005 Rs. In Lakhs
Sales (Net)	13642.89	7858.00
Other Income	6.65	4.32
Total	13649.54	7862.32
 Gross Profit (before Interest & Depreciation)	 2199.11	 1322.47
Deductions :		
Interest & Financial Charges	408.07	392.13
Depreciation	249.67	202.19
PROFIT BEFORE TAXATION	1541.37	728.15
Add/(Less) : prior period adjustments	7.11	(4.01)
Provision for Taxation	150.50	227.45
PROFIT AFTER TAXATION	1397.98	496.69
Surplus Brought Forward from previous year	597.56	290.74
Amount Available for Appropriation	1995.54	787.43
Appropriation :		
Dividends Proposed (15%)	142.50	95.00
Dividend Tax	19.99	19.87
Transfer to General Reserve	250.00	75.00
Surplus Balance Carried over to Next Year	1583.05	597.56
Total	1995.54	787.43

OPERATIONS/ OVERVIEW

The year under review has been a year of strong growth and notable performance with your company achieving net sales of Rs. 13642.89 Lakhs and profit after tax of Rs. 1397.98 Lakhs as compared to net sales of Rs. 7858.00 Lakhs and profit after tax of Rs. 787.43 Lakhs in the previous year, a phenomenal growth of 73.62% and 181.46% in net sales and profit after tax over 2004-2005. By all counts the result achieved are due to the focussed business direction, financial discipline and dedicated approach by one and All at Ankur.

Ankur's main business is to manufacture pharma products on contract basis. 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, further steps have been envisaged to enhance the manufacturing capacities which shall scale up our top-line and bottom-line in future.

DIVIDEND

In view of the improved performance in terms of sales and profitability, your directors are pleased to recommend for the consideration of the members an enhanced dividend of 15% (Rs. 1.50 per equity share of Rs. 10 each; previous year - 10%) In view of excellent performance, your Company could have proposed higher dividend but looking to the ongoing capital expenditure your Board proposes to retain earnings in business. The dividends if declared, at the Annual General Meeting will be tax free in the hands of the shareholders.

UNCLAIMED/UNPAID DIVIDENDS

Shareholders who have not yet encashed their dividend warrants for the financial year 2004 and 2005 may approach the Company's Registrar and Transfer Agent for revalidation / issue of duplicate dividend warrants quoting their Ledger Folio/ DP- Client ID Number.

CAPACITY EXPANSION

The financial year 2005-06 has been a very eventful year for the company. Your company is **EXPANDING FOR GROWTH**. During the year under review there has been addition to Gross Block(including work in progress) of Rs. 5930.37 Lakhs the partial production benefit of which is expected from the last quarter of the year 2006-07. The new state of the art manufacturing facility at Baddi which will start during the year is unique in India in terms of technology, production capacity and product diversity. The said plant confirms to International **C G M P** standards and is also **U S F D A** compliant wherein manufacture of high value products for direct exports on contract basis are planned for Global Pharma Multinationals.

Your company has changed the scope of expansion project and now envisaging high level of automization and high speed processing so as to eliminate chances of human error and also to keep human resource requirement at reasonable level. Your company has decided to set-up following additional facilities :

1. Effervescent Tablets and Powders (Processing Equipment from Zenchetta, Italy)
2. Ointments line using Aluminium / Laminated / Poly Tube (Macofar, Italy)
3. Water for Injection (Romelegg, Germany)
4. Eye & Ear drops (Romelegg, Germany)
5. Fully automatic Dry powder Injection Line in Cephalosporin Block (Macofar, Italy)

Your company is first in Asia to have Zenchetta Processing Equipment, which is also known as "Single Pot" technology.

In view of above changes and proposed small R and D division at Baddi, The project cost has gone upto Rs. 13500 Lakhs as against original project cost of Rs. 6500 Lakhs. There is no major cost overrun otherwise.

MERGER OF VAIBHAV HEALTHCARE PVT. LTD.

To ensure convenience of all statutory compliances, the date of merger of Vaibhav Healthcare Pvt. Ltd. with your company has been fixed at 1st April, 2006 instead of 1st January, 2006. The Company in its Board Meeting has proposed the swap ratio of one equity share of Rs.10/- each against every six equity shares of Rs.10/- each of Vaibhav Healthcare Pvt. Ltd.

LISTING OF SHARES

The equity shares of the company are listed on The Bombay Stock Exchange Ltd., Mumbai. The listing fees for the year 2006-07 has been duly paid.

PUBLIC DEPOSITS

The company has neither accepted any public deposits nor it intend to accept any deposit during the ensuing year.

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.

CORPORATE GOVERNANCE

In terms of corporate governance disclosures as required by clause 49 of the listing agreement, details are provided in this reports as Annexure III. 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.

DIRECTORS

Mr. Dileep H. Shinde retires by rotation at the Annual General Meeting. He being eligible, offers himself for re-appointment.

In the Board Meeting Held on April 02, 2006 Dr. Manisha Jhaveri, has been appointed as a Non-Executive Independent director of the Company. The board has also appointed Mr. Girraj Vijayvargiya Wholtime Executive Director w.e.f. April 02, 2006.

12th Annual Report 2005-2006**AUDITORS**

The company's Auditors M. G. Vashi & Co., Chartered Accountants, Mumbai hold their office until the conclusion of this Annual General Meeting. The company has received confirmation from them that if re-appointed, their appointment will be within the prescribed limit of Section 224(1-B) of the Companies Act, 1956. They have offered themselves for re-appointment.

INDUSTRIAL RELATIONS

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

FOREIGN CURRENCY CONVERTIBLE BONDS

The Company in the Extra Ordinary General Meeting held on February 18, 2006 has taken approval for FCCB upto an amount not exceeding US \$ 20 millions that is Rs. 100 Crores approximately in the aggregate including premium, if any. During June 2006 the Company had issued US \$ 16 millions FCCB with 4436363 underlying equity shares. Each FCCB is convertible into equity shares on or before May 31, 2012.

DIRECTORS' RESPONSIBILITY STATEMENT

(As per amended section 217(2AA) of the companies Act 1956)

The Board of Directors of the Company confirm :

1. that in the preparation of Annual Accounts, the applicable accounting standards have been followed, alongwith proper explanation relating to material departures.
2. that they 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. that they 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. that the attached annual accounts for the year ended 31st March, 2006 are prepared on going concern basis.

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 rule 2 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

	2005-2006 (Rs. In Lakhs)	2004-2005 (Rs. In Lakhs)
Earned	NIL	NIL
Used	410.69	11.15

PARTICULARS OF EMPLOYEES

Name	Age	Designation	Date of Employment	Remuneration Rs.	Qualification	Experience	Previous Employment
Mr. Purnandu Jain	41 yrs.	Chairman & M D	23-08-2003	60,40,000	B. Com (Hon.) F. C. A.	16 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)