

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the Members of ANU'S LABORATORIES LIMITED will be held on September 28, 2007 at Registered Office of the Company situated at A-49, Madhuranagar, Vengal Rao Nagar, Hyderabad – 500 038, at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2007, the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the year ended 31st March, 2007.
3. To appoint a Director in place of Sri. MSSV. Satyanarayana, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Karumanchi & Associates, Chartered Accountants, Hyderabad, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and authorise the Board 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** pursuant to Section 257 of the Companies Act, 1956 Sri.M.Ajaya Kumar be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
6. **To consider and if thought fit, to pass, with or without modification(s) the following resolution as an ORDINARY RESOLUTION.**
“**RESOLVED THAT** pursuant to Section 257 of the Companies Act, 1956 Sri.K.Rajeswara Rao be and is hereby appointed as a Director of the Company, liable to retire 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 Section 257 of the Companies Act, 1956 Sri.O.M.Kejriwal be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

**By Order of the Board
For ANU'S LABORATORIES LIMITED**

**Place: Hyderabad
Date: 16.07.2007**

**Sd/-
K. HARI BABU
Managing Director**

NOTES

1. The Register of Members and Share Transfer books of the Company will remain closed from Monday, September 24, 2007 to Friday, September 28, 2007 (both days inclusive) for the purpose of Dividend & Annual General Meeting.
2. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself /herself and such proxy need not be a member.
3. The instrument appointing a proxy must be deposited with the Company at its Registered Office / Corporate Office not less than 48 hours before the time for holding the meeting.
4. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business items is annexed hereto.
5. The Members are requested to notify change, if any, in their address to **Registrar and Transfer Agent viz., Karvy Computershare Pvt. Ltd.**, at Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034 immediately quoting their Folio No.
6. All communications regarding shares are to be addressed to our Registrars and Transfer Agents at the address mentioned above.
7. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least seven days prior to the date of the meeting for consideration of the management to deal at the meeting.

EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 3.

REAPPOINTMENT OF RETIRING DIRECTORS

As required by Clause 49 of the Listing Agreement on Corporate Governance particulars of the Directors being reappointed are provided hereunder;

Item No. 3.

Sri. Maddali Sri Sai Venkata Satyanarayana

Sri Maddali Sri Sai Venkata Satyanarayana aged about 48 years is a Graduate he is on the Board of the Company since 1998.

Name of the Companies in which he is a Director

Nil

Sri. Maddali Sri Sai Venkata Satyanarayana is holding 4,87,200 shares in the Company as on March 31, 2007.

None of the Directors except Sri. Maddali Sri Sai Venkata Satyanarayana are interested or concerned in the above Resolution.

The Board recommends the resolution for the approval of the Members.

Item No.5

Sri. M. Ajaya Kumar

Sri M. Ajaya Kumar aged about 61 years is a Master of Science (Agriculture) from Andhra Pradesh Agriculture University in the year 1968. He has an experience of over 39 years out of which 23 years is in pharmaceutical industry. He started his career with Andhra Pradesh Agriculture University in 1968 as Farm Manager – Research associate and Assistant Professor and continued till 1972. He worked with Allahabad Bank from 1972 to 1984 where he gained experience in field of corporate and large scale finance, foreign exchange management, merchant banking financing etc. From 1984 he has been associated with various pharmaceutical companies in Top level management position. In 1984 he joined SOL Pharmaceutical Limited as General Manager and left the Company from the position of Managing director & CEO in the year 1994. From 1994 till 1996 he was Managing Director of Natco Pharma Limited. From 1996 till 1998 he started Corporate Management Consultancy Organisation and worked on Corporate Advisory services, mergers and acquisitions, Brand acquisitions, etc in Drugs and Pharma Industry. From 1998 till 2004 he was associated with Aurobindo Pharma Limited in various capacities. From 1998 till 2000 he was director and Profit centre Head of Formulations, from 2000 to 2002 he was responsible for strategic plan for China and also was Managing Director of APL Chemi Natura Limited, a subsidiary of Aurobindo Pharma Limited and from 2002 to 2004 he was Director of Formulation Research Division of Aurobindo Pharma Limited. During his association with these Pharma companies. He was responsible for new projects, production, Research & Development, sales, distribution, accounts, finance etc.

Since 2004 he is providing Corporate management consultancy to Pharma Industry

Sri M. Ajaya Kumar was appointed as an additional Director of the Company by the Board of Directors at their meeting held on 30.12.2006 U/s.260 of the Companies Act, 1956 and holds the office up to the date of 11th Annual General Meeting of the Company. In this regard the company has received Notice required U/s.257 of the Companies Act, 1956 proposing the appointment of Sri M. Ajaya Kumar as Director of the Company. The Company has also received an amount of Rs.500/- as deposit.

Name of the Companies in which he is a Director.

- | | |
|--------------------------------------|----------|
| 1. Zen Securities Limited | Director |
| 2. Mikkilineni Infin Private Limited | Director |
| 3. Sical Logistics Limited | Director |

Sri. M. Ajaya Kumar is holding 560 shares in the Company as on March 31, 2007.

None of the Directors except Sri. M. Ajaya Kumar are interested or concerned in the above Resolution.

The Board recommends the resolution for the approval of the Members.

Item No.6

Sri. K. Rajeswara Rao

Sri K. Rajeswara Rao aged about 50 years is a Doctor, he has done his MBBS from Andhra University in 1970, he did his post graduation in Pediatrics from American Board of Medical Specialities, USA. He completed his Fellowship in Allergy and Immunology in 1991 from American Board of Medical Specialities, USA. He is certified by American board in pediatrics and practised it during the 1976-1988 period. He also got certified in allergy and immunology by American board in 1993. From 1991 to 2006 he was privately practising allergy, immunology and clinical research in USA.

Sri K. Rajeswara Rao was appointed as an additional Director of the Company by the Board of Directors at their meeting held on 30.12.2006 U/s.260 of the Companies Act, 1956 and holds the office up to the date of 11th Annual General Meeting of the Company. In this regard the company has received Notice required U/s.257 of the Companies Act, 1956 proposing the appointment of Sri M. Ajaya Kumar as Director of the Company. The Company has also received an amount of Rs.500/- as deposit.

Name of the Companies in which he is a Director.

Nitya Laboratories Limited

Director

Sri. K. Rajeswara Rao is holding **nil** shares in the Company as on March 31, 2007.

None of the Directors except Sri. K. Rajeswara Rao are interested or concerned in the above Resolution.

The Board recommends the resolution for the approval of the Members.

Item No.6

Sri. O.M. Kejriwal (Details of director to be given)

Sri. O.M. Kejriwal, aged 52 years is a graduate in Chemistry Honours from Sambalpur University and qualified as a Chartered Accountant in 1992. He also did his L.L.B from M.S.Law Collage Cuttack. He is a practicing Chartered Accountant and is a senior partner in C.A firm O.M.Kejriwal & Company since 1983. He has experience in the line of audit, finance, taxation and preparing of techno feasibility report. He also provides Financial cum Legal advise to various Companies.

Sri O.M. Kejriwal was appointed as an additional Director of the Company by the Board of Directors at their meeting held on 16.07.2007 U/s.260 of the Companies Act, 1956 and holds the office up to the date of 11th Annual General Meeting of the Company. In this regard the company has received Notice required U/s.257 of the Companies Act, 1956 proposing the appointment of Sri O.M. Kejriwal as Director of the Company. The Company has also received an amount of Rs.500/- as deposit.

Name of the Companies in which he is a Director.

Nil

Sri. O.M. Kejriwal is holding **nil** shares in the Company as on March 31, 2007.

None of the Directors except Sri. O.M. Kejriwal are interested or concerned in the above Resolution.

The Board recommends the resolution for the approval of the Members.

**By Order of the Board
For ANU'S LABORATORIES LIMITED**

**Place: Hyderabad
Date: 16.07.2007**

**Sd/-
K. HARI BABU
Managing Director**



Directors Report

To
The Members,

Your Directors have pleasure in presenting the Eleventh Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2007 and the Auditors Report thereon.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	As at 31-03-2007	As at 31-03-2006
Income from operations	12066.98	10076.28
Other Income	1285.10	16.56
Total Income	10,781.88	10413.53
Expenditure (before Interest and depreciation)	9,730.25	8375.03
Profit before Interest and Depreciation and Tax	2399.27	1158.89
Interest	477.98	322.68
Profit before depreciation and Tax	1921.29	836.21
Depreciation	94.55	63.37
Profit/Loss before Tax	1826.74	772.84
Provisions for taxation	467.59	201.75
Profit/Loss after Tax	1359.15	571.09
APPROPRIATIONS:		
Provision for proposed dividend	61.11	47.12
Amount Appropriated to Bonus Issue	93.51	206.87
Transfer to General Reserve	271.83	114.01
Balance carried to Balance Sheet	1484.96	603.93
Total	1911.41	971.93

OPERATIONS

Sales:

Your Company achieved a turnover of Rs. 12066.98 lakhs compared to Rs. 10,076.28 lakhs for the year 2005-2006 representing an increase of around 20%. Your Company had earned a net profit after tax of Rs. 1359.15 lakhs during the year 2006-2007, when compared with a net profit after tax of Rs. 571.09 lakhs during the year 2005-2006 resulting in an increase of 138%. Earnings per share for the year works out to Rs. 17.04 per share as against Rs. 10.98 last year.

Dividend

Your Directors are pleased to recommend a dividend of 10% on the paid up capital of the company for the financial year ended 31.03.2007. The total outgo on account of dividend, inclusive of dividend tax @ 16.995% in Rs. 71.49 lakhs.

Exports

Your Company has achieved an Export turnover of Rs. 1492.99 lakhs during the year when compared with the export turnover of Rs. 1141.42 lakhs in the previous year resulting in an

increase of 30.80%. During the year under review your company is trying to consolidate its presence in Global Markets, while efforts to widen the depth and penetration of the existing markets are being taken and new markets are being explored.

Modernisation and Expansion

Your company is planning for forward integration to venture into the production of API's in a bigger scale to capitalize on the emerging opportunities. It is planning to set up a new plant in Pharma City at Vizag which would also constitute a pilot plant for custom synthesis, for this purpose it has already acquired 9.6 acres of land and Civil Work has commenced. This plant would not only enhance the capacity and production levels but would leverage the Company in all dimensions to carry on its strategic objectives.

Capital Expenditure

During the year under review your Company had incurred capital expenditure of Rs. 1072.07 towards modernization of plant and equipment.

Increase in Share Capital

During the year under review your Company has allotted bonus shares at the ratio of 5:2 to the existing shareholders which amount to 2075200 equity shares. Company has further issued 7,12,800 equity shares on preferential basis. After the allotment the Share Capital of the Company is increased from Rs. 5,18,80,000/- to Rs. 7,97,76,000/-.

Research & Development:

The Company has incurred an expenditure of Rs. 7.57 lakhs on R&D

Initial Public Issue:

The company is planning for forward integration to venture into the production of API's in a bigger scale to capitalize on the emerging opportunities. It is planning to set up a new plant in Pharma City at Vizag which would also constitute a pilot plant for custom synthesis, for this purpose it has already acquired 9.6 acres of land. This plant would not only enhance the capacity and production levels but would leverage the Company in all dimensions to carry on its strategic objectives.

To meet the requirement of funds the Company is planning to raise funds to the tune of INR 880 MM through an Initial Public Offer.

Directors

In terms of the provisions of Section 255 and 256 of the Companies Act, 1956, Sri.MSSV.Satyanarayana will retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Sri. M. Ajaya Kumar was appointed as an additional director of the Company at the Board Meeting held on 30.12.2006. The Company has received notices under section 257 of the