



Hulta Pharmaceutical Export Limited

REPORT  JUNCTION.COM

Annual Report 2004 - 2005

R E Apartments,
IIIrd Floor, 70/64, Arya Gowda Road,
West Mambalam, Chennai - 600 033.

HULTA PHARMACEUTICAL EXPORT LIMITED

ANNUAL REPORT 2004 - 05

Board of Directors

Mr. Harish L. Metha
Dr. Mohan Swami
Dr. Rajiv Vashisht
Mr. K. Prabhakaran
Mrs. Gomathi @ Usha Nathan
Dr. C. Sivakumar Reddy

Managing Director
Director
Director
Director
Director
Director

Auditors

M/s. Rao and Gopal,
Chartered Accountants,
R E Apartments, III Floor,
70/64, Arya Gowda Road,
West Mambalam,
Chennai - 600 033.

Bankers

Canara Bank

**Registrars and share
Transfer agent**

Cameo Corporate Service Ltd,
'Subramanian Building'
1, Club House Road,
Chennai - 600 002.

Registered Office

R E Apartments,
IIIrd Floor, 70/64, Arya Gowda Road,
West Mambalam,
Chennai - 600 033.

Factory

A-34, Madras Export Processing Zone,
Tambaram,

HULTA PHARMACEUTICAL EXPORT LIMITED

NOTICE CONVENING ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of the Company will be held on Monday, the 26th September 2005 at 11 a.m. at Sri Rajasthani Jain Samaj Bhavan, Dr. C L Metha Hall, 1st Floor, Old No. 66, New No. 131, Thyagaraja Road, T.Nagar, Chennai 600 017 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2005 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Rajiv Vashisht who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix up their remuneration. The retiring Auditors M/s. Rao & Gopal, Chartered Accountants are eligible for re-appointment.

SPECIAL BUSINESS

4. *To consider and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:-*

"RESOLVED that Dr C Sivakumar Reddy who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and holds office up to the date of the Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing proposing his candidature to the office of the Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation."

By order of the Board
For HULTA PHARMACEUTICAL EXPORT LIMITED

DR MOHAN SWAMI
DIRECTOR

Registered Office
RE Apartments, III Floor,
70/64, Arya Gowda Road,
West Mambalam,
CHENNAI 600 033
Dated: 30th July 2005

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy Form duly filled and signed by the Shareholder must be lodged with the Company at the Registered Office of the Company at any time not less than 48 hours before the meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No. 4 of the Notice is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 16.9.2005 to 26 .9.2005 (both days inclusive).
5. Members are requested to communicate their change of address, if any, quoting their respective folios.
6. Members holding shares in dematerialized form are requested to intimate any change in address to their respective DPs and those holding shares in physical form are to intimate the above said changes to the Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai 600 002.

Report  Junction.com

HULTA PHARMACEUTICAL EXPORT LIMITED

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

Item No. 4

It is brought to the notice of Shareholders that Dr C Sivakumar Reddy was appointed as an Additional Director of the Company with effect from 17th June 2005. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Additional Director only upto the date of forthcoming Annual General Meeting. As per Section 257 of the Companies Act, 1956, a notice has been received from a Member proposing the candidature of Dr C Sivakumar Reddy for the office of the Director.

The Board commends the resolution set out in Item No.4 of the Notice for your approval.

None of the Directors except Dr C Sivakumar Reddy is in any way concerned or interested in this resolution.

By order of the Board
For HULTA PHARMACEUTICAL EXPORT LIMITED

DR MOHAN SWAMI
DIRECTOR

Registered Office
RE Apartments, III Floor,
70/64, Arya Gowda Road,
West Mambalam,
CHENNAI - 600 033

Dated: 30th July 2005

DIRECTORS' REPORT AND MANAGEMENT ANALYSIS

Your Directors present herewith the Eighteenth Annual Report on the Annual Accounts for the financial year ended 31st March 2005.

01. FINANCIAL RESULTS

The summarised financial results are given below

Description	For the year ended 31.03.2005 Rs. in Lakhs	For the year ended 31.03.2004 Rs. in Lakhs
Total Income	Nil	2.77
Less: Total Expenditure	4.88	14.57
Loss before Interest & Depreciation	(4.88)	(11.80)
Less: Interest	Nil	0.10
Loss before Depreciation	(4.88)	(11.90)
Less: Depreciation	Nil	Nil
Loss before taxation	(4.88)	(11.90)
Less: Provision for taxation	Nil	Nil
Loss after taxation	(4.88)	(11.90)

02. DIVIDEND

In view of the loss, your Directors do not propose any Dividend for the year ended 31st March 2005.

03. INDUSTRY STRUCTURE AND DEVELOPMENT

Even though there was decline in the GDP Growth, the industrial growth of the country has increased from 6.6% in 2003 to 7.8% in 2005. During the year, the Company focussed its efforts on cost control and cost reduction measures which enabled the Company to bring down the total expenditure in a considerable manner.

04. OPPORTUNITIES, CHALLENGES, RISKS AND CONCERNS

The continuing healthy growth in the Pharmaceutical Industry and manufacturers ambitious programmes will provide opportunities for growth.

Competitive pricing pressure, frequent changes in dies, moulds and design, ever challenging technologies are challenges thrown open to the Industry.

With keeping abreast of latest developments in the Industry and identification the newer areas, the Company is confident of converting the challenges into opportunities.

Unfavourable factors such as slow down, recession in the industry can adversely affect the demand supply dynamics, productivity and profitability.

05. FIXED DEPOSITS

The Company has not accepted any deposits from the public during the year under report.

HULTA PHARMACEUTICAL EXPORT LIMITED

06. INDUSTRIAL RELATIONS

The industrial relations of the Company have been cordial.

07. PARTICULARS OF EMPLOYEES

There are no employees who were in receipt of the remuneration as prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 during the year under review and hence annexure required under the said Section is not attached.

08. RETIREMENT BY ROTATION

Dr. Rajiv Vashisht, Director retires by rotation and being eligible, offers himself for re-appointment.

09. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement it is hereby confirmed:

- a) That in the preparation of accounts for the accounting period ended 31st March 2005, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 year and the loss of the Company for the year under review.
- c) That 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.
- d) That the Directors have prepared the accounts for the year ended 31st March 2005 on a 'going concern' basis.

10. CORPORATE GOVERNANCE

The Company has complied with the requirements regarding Corporate Governance as required under Clause 49 of the Listing Agreement entered with the Stock Exchanges, where the Company's shares are listed. A report on the Corporate Governance in this regard is made a part of this Annual Report and a Certificate from the Auditors of the Company regarding compliance of the conditions of the Corporate Governance is attached to this report.

11. AUDITORS

M/s. Rao & Gopal, Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND ADAPTATION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption and adaptation and foreign exchange earnings and outgo are NIL.

13. ACKNOWLEDGEMENT

The Board of Directors wishes to express its sincere appreciation to the Shareholders, financial institutions, business associates, various Government agencies and employees for their continued support.

By order of the Board
For HULTA PHARMACEUTICAL EXPORT LIMITED

DR MOHAN SWAMI
DIRECTOR

Registered Office
RE Apartments, III Floor,
70/64, Arya Gowda Road,
West Mambalam,
CHENNAI 600 033

Dated: 30th July 2005



HULTA PHARMACEUTICAL EXPORT LIMITED**ADDENDUM TO THE DIRECTOR REPORT****Re-appointment of Mr Harish L. Metha, Managing Director**

With reference to the qualification / reservation made by the Auditors regarding Mr. Harish L. Metha, Managing Director, as already reported that Mr Harish L. Metha was re-appointed as Managing Director of the Company for a period of five years from 1.4.2003 to 31.3.2008 subject to obtaining the approval of the Shareholders at the Annual General Meeting; that Company has filled necessary form 32 and 23 with the Registrar of Companies as per Section 303 (2) and 192 of the Companies Act, 1956 respectively vide filing fee receipt No. 3678 dated 28.4.2003.

At the Sixteenth Annual General Meeting held on 15th September 2003, approval of the Shareholders was obtained for the re-appointment of Mr Harish L. Metha, Managing Director for a period of five years from 1.4.2003 to 31.3.2008 without any remuneration. The Company has duly filed Form No. 23 in this regard under Section 192 of the Companies Act, 1956 with the Registrar of Companies vide filing fee receipt No. 23441 dated 22.9.2003.

As reported in the earlier report that it has come to the notice of the Company from the records of the Registrar of Companies and the report of Auditors that a Form No. 32 has been filed on 1.7.2003 with the Registrar of Companies for the resignation of Mr. Harish L. Metha as Managing Director with a effect from 16-10-2002 which bears the signature of one Mr. Balaji who is neither a Director nor connected with the company in any capacity.

As already submitted that as there are certain critical statutory compliances and vital issues to be resolved, the Board of Directors at its meeting held on 31st March 2003 unanimously felt that till such time these issues are resolved, it would be in the interest of the company to reappoint Mr. Harish L. Metha for a further period of five years. This proposal for re-appointment was also duly approved by the shareholders.

The Board of Directors is contemplating legal recourse in this matter.

Going Concern Concept

With reference to Auditor's qualification / reservation made regarding the Going Concern Concept. It is brought to the notice of the Shareholders that as already reported, certain omissions / commissions and irregularities committed by the erstwhile management need to be resolved lest the Company would be put to great jeopardy and predicament. The Management is already in dialogue with the erstwhile management to resolve the issues. Once these issues are resolved, all out efforts would be made to strengthen and rejuvenate the operations of the company.

By order of the Board

For HULTA PHARMACEUTICAL EXPORT LIMITED

DR. MOHAN SWAMI

Director

Registered Office

R E Apartments, IInd Floor,
70/64, Arya Gowda Road,
West Mambalam, Chennai - 600 033.

Dated : 30th July 2005

REPORT ON CORPORATE GOVERNANCE**01. Company's philosophy on Code of Governance**

The Company is striving to maintain high level of transparency, accountability and integrity in all its dealings

02. Board of Directors

Composition and category of Directors as of March 31, 2005 is as follows:

Name of the Director	Category	No. of Directorships held in Other Companies	No. of Committee Memberships held in other Companies
Mr. Harish L Mehta	Executive	None	None
Dr. Mohan Swami	Non-Executive Independent	None	None
Dr. Rajiv Vashisht	Non-Executive Independent	None	None
Mr. K. Prabhakaran	Non-Executive Independent	None	None
Ms. Gomathi @ Usha Nathan	Non-Executive Independent	None	None

03. Attendance of Directors at Board Meetings and Annual General Meeting

Six Board Meetings were held during the year on 10th May 2004, 25th June 2004, 31st July 2004, 11th September 2004, 30th October 2004 and 31st January 2005.

Name of the Director	No. of Board Meetings held	No. of Meetings attended	Last AGM
Mr. Harish L Mehta	6	Nil	No
Dr. Mohan Swami	6	1	Yes
Dr. Rajiv Vashisht	6	Nil	No
Mr. K. Prabhakaran	6	6	Yes
Ms. Gomathi (a) Usha Nathan	6	6	Yes

04. Audit Committee**a) Composition, Name of Members and Chairperson, Meetings and attendance during the year.**

During the year under review, three meetings were held on 31st July 2004, 30th October 2004 and 31st January 2005.