

12th
ANNUAL REPORT
YEAR 1998-99



ABNER
PHARMACEUTICALS
LIMITED

C-2/41, Safdarjung Development Area
New Delhi - 110 016.

BOARD OF DIRECTORS : S.K. GUPTA
Chairman & Managing Director

USHA GUPTA

Dr. S.R. MOORTHY

R.K. PURWAR
UPSIDC Nominee

G.C. JAIN
SBBJ Nominee

BANKERS : STATE BANK OF BIKANER & JAIPUR

AUDITORS : SURMELA & ASSOCIATES
Chartered Accountants
New Delhi



REGISTERED OFFICE : C-2/41, Safdarjung Development Area
New Delhi - 110016

WORKS : 997-998, Village Deri Machha,
Tehsil Dadri, Distt. Gautam Budh Nagar
U.P.

NOTICE

Notice is hereby given that the Twelfth Annual Meeting of the members of Anner Pharmaceuticals Limited will be held on Wednesday, the 29th September, 1999 at 9.00 A.M. at the Executive Club, Village Shahoorpur, P.O. Pachpur Beri, New Delhi-110 030 to transact the following business :

ORDINARY BUSINESS

1. To receive and adopt Audited Balance Sheet as at 31st March, 1999 and Profit and Loss Account of the company for the period ended on that date together with the Auditors Report and the Report of the Directors thereon.
2. To elect a Director in place of Smt. Usha Gupta, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint M/s. Surmea & Associates, Chartered Accountants, the retiring Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board to fix their remuneration.
4. Any other matter with the permission of the chair.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following resolutions with or without modification(s) as special resolutions:

" Resolved that Clause V and 3rd of the Memorandum and the Articles of the company be and shall always be deemed to have been substituted by the following :

V. The Share Capital of the company is Rs. 34,00,00,000.00 (Rupees Thirtv Four Crores Only) divided into 3,40,00,000 (Three Crores Forty Lacs Only) Equity Share of Rs. 10/- each (Rupees Ten Each).

6. To consider and if thought fit, to pass the following resolutions with or without modification(s) as special resolutions:

" Resolved that the Board of directors shall be and are hereby authorised to allot upto 2,00,00,000 Equity shares of Rs. 10/- each for cash at par to anyone or more existing shareholders or to outsiders or partly to existing and partly to outsiders as the board may deem fit without offering any shares to all the existing shareholders. The Board is further authorised to make calls in a manner it thinks fit on such shares".

7. Any other matter with the permission of the Chair.

NOTES

a) The relative Explanatory Statement is pursuant to section 173 of the Companies Act, 1956 in respect of the business under item 5 & 6 are annexed hereto.

b) A member is entitled to attend and to vote at the meeting and is entitled to appoint proxy. The proxy need not be a member of the company, Proxy forms should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

c) Share transfer book will remain closed from 27.9.99 to 4.10.99 (both days exclusive).

d) Members are requested to bring their copy of annual report as extra copy will not be provided in view of cost of paper and printing.

e) Members are requested to intimate to the Company change, if any, in their registered address immediately.

Dated : 4th September, 1999

For and on behalf of the Board

Registered Office
C-2/41, S.D.A.
New Delhi - 110016

(S.K. Gupta)
Managing Director



EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 5

In pursuance to Section 31 and all other applicable sections, if any, of the Company's Act 1956. Board of Directors shall not alter capital clause in the Memorandum and Articles of Association of the Company except with the consent of the Company as an ordinary and special resolution respectively in General meeting of the company. The Directors of the company propose to make Preferential allotment. For that purposes Authorised Capital is to be increased from Rs.14,00,00,000.00 (Rupees fourteen crores) divided into 1,40,00,000 (one crore forty lacs) equity shares of Rs.10/- (Rupees ten each). Consequently clause V of the company is proposed to be altered.

A copy of the Memorandum and articles of the association of the Company together with the alteration is available for inspection by the members of the company at its registered office, between 11 a.m. to 1 p.m. on any working day.

The Directors of the company may be deemed to be concerned or interested in the Preferential issue of the shares to the extent of the allotment being made to the companies, the members of which may be remotely related, although they do not constitute Promoter or Promoter group. Your Directors recommend the resolution for your approval pursuant to section 31 and all other sections applicable, if any, of the Companies Act, 1956.

Item No.6

As the shares of the Company during the last six months are being traded at much below par value, the existing shareholders except

Crust Trading Private Limited

Stallone Trading Private Limited

Ansh Trading Private Limited

Three Sons Trading Private Limited

Jingle Trading Private Limited

may not be interested in purchase of the shares of the company. It is therefore decided and resolved that the new shares need not be offered to all the other existing shareholders.

In pursuance of Regulation 3 (c) (ii) for preferential allotment of shares it is being explained that such allotment will increase the holding of proposed allottees by more than 5% of the post issue capital of the company. It is stated further that the allotment is proposed to be made at Rs.10.00 per share. The allotment is proposed to be made to five persons.

limited companies as below. The purpose of such allotment is to increase the manufacturing capacity of the company and to increase profitability of the company. As explained earlier that ordinary member of the public will not be interested in purchasing shares at Rs.10.00 per share when the market price of the share is much below par. Although this preferential allotment will confer substantial voting rights upon the allottees to change the Board of Directors of the company and power to change control of the company but the present management does not see any change in the present management as these shares are likely to be diluted by the proposed allottees. The shareholding pattern after the proposed allotment will be as follows :

TOP 10 SHAREHOLDERS

Sh. S.K. Gupta	13,23,600
Sh. Vivek Gupta	13,100
Sh. Sachin Gupta	51,200
UP State Industrial Development Corporation of UP Ltd.	50,000
KCS Financial Services Ltd.	20,000
Crust Trading Private Limited	20,00,000
Stallone Trading Private Limited	20,00,000
Ansh Trading Private Limited	20,00,000
Three Sons Trading Private Limited	20,00,000
Jingle Trading Private Limited	20,00,000

PROPOSED ALLOTTEES

Crust Trading Private Limited	upto 40,00,000
Stallone Trading Private Limited	upto 40,00,000
Ansh Trading Private Limited	upto 40,00,000
Three Sons Trading Private Limited	upto 40,00,000
Jingle Trading Private Limited	upto 40,00,000

DIRECTORS REPORT

Your Directors have pleasure in presenting the 12th Annual report together with Audited Statement of Accounts for the period 1st April, 1998 to 31st March, 1999.

FINANCIAL DATA

The financial results of the company during the year mentioned above are as under :

	Current Period (Rs. in Lacs)	Previous Period (Rs. in Lacs)
Total Income	197.35	9.09
Gross Profit	37.06	(-) 16.28
Less :		
Depreciation	0.27	9.56
Profit / Loss during the year	36.79	(-) 25.84
Accumulated Losses	43.78	17.94
Profit / Loss carried to Balance Sheet	(-) 6.99	(-) 43.78

FUTURE PROSPECTS

The company inspite of the recessionary trend witnessed by the industry in the year has performed satisfactorily and has posted a net profit of Rs.36.79 lacs.

The company has also increased its Authorised Capital by ten crores and is geared to take the domestic as well as international competition head on. The company has drawn plans to ensure for itself a comfortable position in the post Patent regime and is negotiating with foreign companies for new technologies, product buy-backs and for setting up of R&D centre.

DIRECTORS

In accordance with the provisions of the Company's Act, 1956 and the Articles of Association of the Company Smt. Usha Gupta retire in rotation and is eligible for reappointment

PARTICULARS OF EMPLOYEES

The company had no employee drawing remuneration of Rs 12,000/- per month or more during the year or in the category of employees specified under section 2(71) of the Companies Act, 1956

AUDITORS

M/s. Surmeela & Associates, Chartered Accountants, the retiring Auditors of the company, have expressed their willingness to hold office from the conclusion of this Annual General Meeting of the company, until the conclusion of the next Annual General Meeting of the Company.

APPOINTMENT OF SHARE TRANSFER AGENTS

In view of the increase in the number of Shareholders and to increase upon the efficiency of the share transfer related matters, the company has appointed SRG Infotec Ltd. 118 A, Zamroodpur, Kailash Colony, New Delhi, as the share transfer agents of your company.

ADDITIONAL INFORMATION

The information required to be furnished in terms of section 217 (1) (e) read with the companies (disclosures of particulars in the report of the Board of Directors) Rule 1988.

A) CONSERVATION OF ENERGY

The company could not do much to conserve energy because of the type of products.

B) TECHNOLOGY ABSORPTION

The company is in the phase of expansion and the foreign technology will be absorbed in the ensuring years.

C) FOREIGN EXCHANGE EARNING AND OUTGO

The products of the company are indigenously used so no foreign exchange was earned during the year. The company has used indigenous raw material and there is no foreign exchange out go during the year.

D) NOTES ON ACCOUNTS

The observations of Auditors and notes on accounts are self explanatory and do not require any clarification.