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16th ANNUAL REPORT
2004-2005

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MONOZYME INDIA LIMITED

176/2 & 176/3, 1st Floor, Sripati Venkatrao Mansion
Tarbund, Bowenpally,
Secunderabad - 500 003.

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BOARD OF DIRECTORS

Sri Aditya Kumar Sarda	Managing Director
Sri Bhagwandas Gilada	Executive Director
Sri V.V.G.Reddy	Director & C.O.O.
Dr.Suryakant G.Patil	Director
Sri A. Nanda Kishore	Director
Sri Anand Kr.Maloo	Director

AUDITORS

M/s J B Reddy & Co.,
Chartered Accountants
206, Srinilaya Estate
Ameerpet
Hyderabad - 500 016.

BANKERS

State Bank of Hyderabad
Overseas Branch
Somajiguda
Hyderabad - 500 082.

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REGISTERED OFFICE

176/2 & 176/3,
1st Floor, Sripati Venkatrao Mansion
Tarbund, Bowenpally
Secunderabad - 500 003.
Tel:27818598, 27818667, Fax: 040-27818669
Email : monozyme@monozyme.com
website : www.monozyme.com

SHARE TRANSFER & DEMAT REGISTRARS

M/s.Maheswari Datamatics Pvt. Ltd.
6, Mangoe Lane
Surendra Mohan Ghosh Sarani
2nd Floor, KOLKATA- 700 001
TEL: 033-2243 5029/2243 5809 FAX - 2248 4787
Email : mdpl@cal.vsnl.net.in

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NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of the Members of MONOZYME INDIA LIMITED will be held on Friday 30th of September 2005 at 2.30 P.M at "Le Palais Royal Ibrahim Mahal" Opp. Gymkhana Grounds, 150, Brig. Sayeed Road, Secunderabad - 500 003 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2005 and the Balance Sheet as at that date with reports of the Auditors' and Directors' thereon.

2. To appoint Mr. A. Nanda Kishore as Director, who retires by rotation and being eligible, offers himself for reappointment.

3. To appoint M/s. J.B.Reddy & Co., Chartered Accountants, Hyderabad, who retire at the conclusion of this Annual General Meeting, as Auditors of the Company and for that purpose to pass, with or without modifications, the following resolution as an Ordinary Resolution.

   "RESOLVED THAT pursuant to Section 224 and other applicable provisions of the Companies Act, 1956, M/s. J.B.Reddy & Co., Chartered Accountants, Hyderabad, be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting at a remuneration as may be fixed by the Board of Directors".

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

   "RESOLVED THAT Mr. Anand Kumar Maloo, who was appointed as Additional Director of the Company by the Board of Directors and who retires at this Annual General Meeting under section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company, liable to retire by rotation."

5. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

   "RESOLVED THAT Mr. Aditya Kumar Sarda, who was appointed as Additional Director of the Company by the Board of Directors and who retires at this Annual General Meeting under section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

   "RESOLVED THAT Mr. Bhagwandas Gilada, who was appointed as Additional Director of the Company by the Board of Directors and who retires at this Annual General Meeting under section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company, liable to retire by rotation."

7. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

   "RESOLVED THAT Mr. V.V.G.Reddy, who was appointed as Additional Director of the Company by the Board of Directors and who retires at this Annual General Meeting under section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company, liable to retire by rotation."

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8. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

" RESOLVED that pursuant to section 269, 198, 309 and Schedule XIII of the Companies Act, 1956, Mr. Aditya Kumar Sarda be and is hereby appointed as Managing Director of the Company with effect from 01.11.2004 for a period of 5 years at a remuneration of Rs.15,000/- per month as approved by the remuneration committee.

Further resolved that the following perquisites be not considered for the calculation of above remuneration.

a. Payment of Provident Fund contribution as per the company policy
b. Payment of Gratuity
c. Payment of Leave encashment.

9. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

" RESOLVED that pursuant to section 269, 198, 309 and Schedule XIII of the Companies Act, 1956, Mr. Bhagwandas Gilada be and is hereby appointed as Executive Director of the Company with effect from 03.01.2005 for a period of 5 years at a remuneration of Rs.46,500/- per month (Basic Rs.35,000/- per month and HRA Rs.11,500/- per month) (including all perquisites), as approved by the remuneration committee.

Further resolved that the following perquisites be not considered for the calculation of above remuneration.

a. Payment of Provident Fund contribution as per the company policy
b. Payment of Gratuity
c. Payment of Leave encashment.

10. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

" RESOLVED that pursuant to section 269, 198, 309 and Schedule XIII of the Companies Act, 1956, Mr. V.V.G.Reddy be and is hereby appointed as Director & Chief Operating Officer of the Company with effect from 01.04.2005 for a period of 5 years at a remuneration of Rs.41,000/- per month (Basic Rs.30,000/- per month and HRA Rs.11,000/- per month) (including all perquisites), as approved by the remuneration committee.

Further resolved that the following perquisites be not considered for the calculation of above remuneration.

a. Payment of Gratuity
b. Payment of Leave encashment.

Registered Office:
176/2 & 176/3, 1st Floor,
Sripati Venkatrao Mansion,
Tarbund, Bowenpally,
Secunderabad - 500 003.

Place : Secunderabad
Date : 09th July, 2005

By Order of the Board

Bhagwandas Gilada
Executive Director

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NOTES

a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.

b) The Register of members and share transfer books of the Company will remain closed from 27th of September,2005 to 30th of September,2005 (both days inclusive) in connection with the Annual General Meeting.

c) Members are requested to intimate any changes in their addresses registered with the Company.

d) The Members are requested to bring their Annual Report along with them at the time of Annual General Meeting and are also requested to send their queries, if any, on the adoption of Accounts well in advance to enable to place relevant records and information at the time of Annual General Meeting.

e) Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 with respect to special business is herewith annexed.

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

Item No.4, 5, 6 & 7

Mr. Anand Kumar Maloo, Mr. Aditya Kumar Sarda, Mr. Bhagwandas Gilada & Mr. V.V.G.Reddy were appointed as Additional Directors , who retire at this Annual General Meeting as per section 260 and Articles of Association of the Company. Their induction into the Board would immensely benefit the Company in overall perception and strategic growth. As required under section 257 of the Act, notice along with a fee of Rs.500/- has been received from a Shareholder proposing their candidatures.

The Board recommends the said resolution for your approval.

None of the Directors is interested in the above resolution except Mr. Anand Kumar Maloo, Mr. Aditya Kumar Sarda, Mr. Bhagwandas Gilada & Mr. V.V.G.Reddy in respect of their respective appointments.

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Item No. 8,9 & 10

Mr. Aditya Kumar Sarda, Mr. Bhagwandas Gilada & Mr. V.V.G.Reddy were appointed as Managing Director, Executive Director and Director & C.O.O. respectively by the Board of Directors, subject to approval of the share holders, as per terms & conditions as indicated in the respective resolution.

The Board recommends the said resolution for your approval.

None of the Directors is interested in the above resolution except Mr. Aditya Kumar Sarda Mr. Bhagwandas Gilada & Mr. V.V.G.Reddy in respect of their respective appointments.

Registered Office:

176/2 & 176/3, 1st Floor,
Sripati Venkatrao Mansion,
Tarbund, Bowenpally,
Secunderabad - 500 003.

Place : Secunderabad
Date : 09th July,2005.

By Order of the Board

Bhagwandas Gilada
Executive Director

PARTICULARS OF DIRECTORS APPOINTED/REAPPOINTED IN PURSUANCE TO CLAUSE 49 OF THE LISTING AGREEMENT.

Sri Aditya Kumar Sarda, Aged about 29 years is a Graduate from Boston University, USA with specialization in Business Management. He hails from business group by name SARDA Group, a multi-location industrial house with business interests in Jute, Titanium Dioxide, Marine product exports etc.

Sri Anand Kumar Maloo, Aged about 34, is a Chartered Accountant having 10 years of experience in Finance, Textiles, Stock Market, Computer Application & Software He does not hold directorships in any other Company.

Sri Bhagwandas Gilada, Aged about 48, hails from a Business family from Hyderabad & Gulbarga and a third generation entrepreneur. He is having vast experience in securities and capital market.

Sri V.V.G.Reddy, Aged about 42, is a Chartered Accountant and having rich experience in technical, marketing & finance departments of Diagnostic Industry. He has been associated with Diagnostic Industry for the last 10 years and having good rapport with all diagnostic companies in India & abroad. He has worked as Chief Operating Officer of the company and has been inducted as Director.

Sri A. Nanda Kishore, Aged about 40 years, is an experienced person in Medical & Para-medical services. He does not hold directorships in any other Company.

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DIRECTORS' REPORT

Dear Members,

Your Directors hereby present to you the 16th Annual Report of your Company together with the Audited Accounts of the Company for the financial year ended 31st March 2005.

Financial performance of the company

(Rs. In Lakhs)

		Forthe Year ended 31.03.2005	Forthe Year ended 31.03.2004
1.	Net Sales/Income from Operations	981.95	1298.58
2.	Other Income	2.60	1.91
3.	Total Expenditure	919.11	1205.29
4.	Interest	32.83	38.24
5.	Gross Profit after Interest but before Depreciation	32.61	56.96
6.	Depreciation	7.19	6.80
7.	Provision for Taxation (Net of deferred tax)	12.81	13.31
8.	Net Profit for the year	12.61	36.85
9.	Prior year adjustment	0	(1.44)
10.	Deferred Revenue Expenditure Written off	0	196.67*
11.	Net Profit/ (Loss) carried to Balance Sheet	12.61	(158.38)

*Consequent to change in the method of accounting, the entire unamortised amount under the head "Deferred Revenue Expenditure" as at the beginning of the year amounting to Rs.1, 96,66,948 has been charged to Profit and Loss account.

Management discussions and analysis report

As required under Clause 49 of the Listing Agreements with Stock Exchanges, the Management Discussion and Analysis Report is stated as under.

A) Industry Structure & Developments, Opportunities and Threats, Performance, outlook and Risks and Concerns:

Generally the Indian economy is bullish and in particular pharmaceutical and allied industries are performing better year after year. With globalization & liberalization of Government policies new and innovative Diagnostic Kits are being imported into India so as to cater the needs of Super specialty Hospitals & Diagnostic clinics. Your Company has consolidated its market share with its brand value and qualitative products.

During the year under review net sales has come down to Rs.981.95 Lacs as against Rs.1298.58 Lacs in the previous year ending 31st March 2004.

As you are aware after change in Management of the Company, which was approved by the shareholders through Postal Ballot on 28th February 2005, there was realignment of various internal and external policies so as to suit the style of new management.

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There was a slow down in operations of the Company, consciously by the management, so as to re-structure the entire operation for the purpose of consolidation and steady growth in future.

Your management is very confident and optimistic to register better operations with better margins in coming years.

B) Internal Control and their Adequacy:

The Company has effective and adequate internal Control Systems to ensure reliable Financial Reporting, safeguarding of Assets, Management of risks and adherence to good management principles and policies. The Internal controls are reviewed regularly at management level and also at the audit Committee meetings.

C) Human Resources Development and Industrial relations:

Your Company has employees who are highly motivated and result oriented. To enrich the skills of the employees and enrich their experience, the company arranges practical training courses by internal faculty. The Company is maintaining good employee relations.

Directors

Mr. A. Nanda Kishore retires at the ensuing Annual General Meeting being eligible offer himself for re-appointment. Mr. Anand Kumar Maloo was appointed as Additional Director, who retires at this Annual General Meeting being eligible offer himself for re-appointment.

Mr. Aditya Kumar Sarda, Mr. Bhagwandas Gilada & Mr. V.V.G. Reddy who were appointed as Managing Director, Executive Director and Director & C.O.O respectively, whose appointments were placed for your approval.

Board recommends the resolution for their reappointments.

During the year Mr. M.Anup Kumar, Dr. Y.F.Neelgund, Mr. S.Suresh, Mr. L. Raju have submitted their resignations on their personal grounds. Board places on record their appreciation for the services rendered by them during their tenure as Directors of the Company.

Directors' responsibility statement

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, Your Directors wish to confirm that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
2. Such Accounting policies have been selected and applied consistently and judgments and estimates are made 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 and of the profit and loss of the Company for that period;
3. 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 any fraud or other irregularities has been taken.
4. Accounts for the financial year ended at 31st March 2005 are prepared on a going-concern basis.

Auditors

The Auditors of the Company M/s. J.B.Reddy & Co., Chartered Accountants, Hyderabad retires at the conclusion of this Annual General Meeting and are eligible for reappointment.

Replies to Auditor's Report:

PF, ESI, Sales Tax and Income Tax Dues are being remitted.

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Listing

Details of Listing are annexed to the Corporate Governance Report.

Dematerialization of shares

Details of Dematerialisation of shares are annexed to the Corporate Governance Report.

Corporate Governance

As per the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges Report on Corporate Governance is herewith enclosed.

Fixed Deposits

The Company has not raised any fixed deposits as on 31st March, 2005 so as to attract the provisions of section 58A of the Companies Act,1956, read with the Companies (Acceptance of Deposits) Rules 1975 as amended form time to time. There is no amount outstanding or due to any deposit holder.

Particulars of conservation of Energy,

As the company's activities do not involve high consumption of energy, however appropriate steps are being taken constantly to reduce the consumption of power.

Research &Development & Technology Absorption etc.,

As the Company is engaged in the business of diagonistic and clinical chemistry kits and enzymes constant inhouse R & D is undertaken and new technology development thereon are being absorbed.

The Foreign Exchange earnings and out go are as follows:

		(Rs.in Lakhs)
Foreign Exchange Earnings	:	6.07
Foreign Exchange Outgo		
Import of Raw Materials	:	320.34
Foreign Travel Expenses	:	1.61

Particulars of Employees

In pursuance of section 217(2A) of the Companies Act, 1956 none of the employees of the Company was drawing a remuneration exceeding the limits stated in section 217(2A) of the Companies Act, 1956.

Personnel

Your Directors place on record their appreciation for the services rendered by the employees. The relation between the management and the workers has been cordial through out the year.

Acknowledgements

Your Directors take this opportunity to place on record their sincere appreciation and wish to express their thanks for the guidance and assistance received from Company's customers, bankers, Financial Institutions, Share holders for their continued support and faith in the Company. Your Directors also wish to appreciate the hardwork and commitment exhibited by the employees of the Company.

FOR AND ON BEHALF OF THE BOARD

Bhagwandas Gilada
Executive Director

Anand Kumar Maloo
Director

Place : Secunderabad.
Date : 09th July, 2005

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ANNEXURE - to Directors' Report

CORPORATE GOVERNANCE

a) Company's philosophy:

Corporate Governance assumes a great deal of importance in the business life of Monozyme India Limited. The driving forces of Corporate Governance at Monozyme India Limited is its core values belief in people, entrepreneurship, customer orientation and the pursuit of excellence.

b) Board of Directors

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

Name	Category	Desig--nation	No.of Meetings held during the last financial year	No.of Meetings attended	No. of Memberships in Board of other Companies	Attendance of each Director at last AGM
Sri Aditya Kumar Sarda (from 30.10.'04)	Managing Director	Managing Director	6	2	7	No
Sri Bhagwandas Gilada (from 03.01.'05)	Executive Director	Executive Director	6	1	Nil	No
Sri V.V.G.Reddy (from 01.04.'05)	Independent Director	Director	6	0	Nil	No
Dr. Suryakant G Patil	Independent Director	Director	6	3	Nil	Yes
Sri. S. Suresh (upto 30.10.'04)	Independent Director	Director	6	3	Nil	Yes
Sri L. Raju (upto 30.10.'04)	Independent Director	Director	6	2	Nil	Yes
Sri M. Anup Kumar (upto 03.01.'05)	Independent Director	Director	6	4	Nil	Yes
Dr. Y. F. Neelgund (upto 30.10.'04)	Independent Director	Director	6	0	Nil	Yes
Sri Anand Kumar Maloo (from 30.10.'04)	Independent Director	Director	6	3	Nil	No
Sri. A.Nanda Kishore	Independent Director	Director	6	2	Nil	Yes

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