

Tanu Health Care Limited

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15th ANNUAL REPORT 2004 - 2005

REGD. OFFICE : 305, Krishna - A, Vishal Nagar,
Marve Road, Mith Chowkey, Malad (W), Mumbai - 400 064.

TANU HEALTH CARE LIMITED

BOARD OF DIRECTORS

SHRI GIRRAJ KISHOR AGRAWAL	-	MANAGING DIRECTOR CHAIRMAN
SMT. TANU G. AGRAWAL	-	DIRECTOR
SHRI BANKELAL AGRAWAL	-	DIRECTOR
SHRI SUSHIL TIWARI	-	DIRECTOR
SHRI SANDESH GAWDE	-	DIRECTOR
SHRI S. S. NARAYANA	-	COMPANY SECRETARY

AUDITORS

M/S. DURGESH KABRA & CO.
CHARTERED ACCOUNTANTS
C-9, SANJAY APARTMENT
S. V. P. ROAD, NEAR GOKUL HOTEL,
BORIVLI (W), MUMBAI - 400 092.

REGISTERED OFFICE

305, Krishna - A, Vishal Nagar,
Marve Road, Malad (W),
MUMBAI - 400 064.
Tel./Telefax No.: 28898610

REGISTRAR & TRANSFER AGENT

M/S. BIGSHARE SERVICES PVT. LTD.
E/2, ANSA INDUSTRIAL ESTATE
SAKI VIHAR ROAD, SAKI NAKA
ANDHERI (E), MUMBAI - 72
TEL. NO.: 2852 3474 / 2856 0652

BANKERS

HDFC BANK LTD.
MUMBAI

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15th ANNUAL REPORT 2004 - 2005**NOTICE**

Notice is hereby given that the 15th Annual General Meeting of the Shareholders of M/S. TANU HEALTH CARE LIMITED will be held on Wednesday the 20th July 2005 at 3:00 P.M at the registered office of the company at 305, Krishna "A", Vishal Nagar, Mith Chowky, Marve Road, Malad (W), Mumbai - 64, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended on 31st, March 2005 and reports of Directors and Auditors thereon.
2. To appoint Smt. TanuAgrawal as Director of the company, who retires by rotation and, being eligible, offers herself for reappointment.
3. To appoint Auditors 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 fix their remuneration.

SPECIAL BUSINESS

4. To Consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

" **RESOLVED THAT** Mr.Sushil P. Tiwari, who was appointed as Additional Director of the Company by the Board of Directors, under Section 260 of the Companies Act, 1956 on 24th February 2005, to hold office until the date of the Annual General Meeting and in respect of whom the company has received a notice in writing under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, 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(s) the following resolution as an Ordinary Resolution:

" **RESOLVED THAT** Mr.Sandesh A. Gawde, who was appointed as Additional Director of the Company by the Board of Directors, under Section 260 of the Companies Act, 1956 on 24th February 2005, to hold office until the date of the Annual General Meeting and in respect of whom the company has received the notice in writing under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, 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(s) the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of section 293 (1)(d) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act 1956, the Company hereby accords its consent to the Board of Directors borrowing any sum or sums of money from time to time from any one or more of the company's bankers and / or from anyone or more other persons, firms, bodies corporate or financial institutions whether by way of cash-credit, advance or Inter Corporate Deposits, Loans or Bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the companies assets and properties whether movable or stock in trade (including Raw materials, stores, spare parts and components in stock or in transit) and work in progress and all or any of the undertakings of the company notwithstanding that the monies to be borrowed together with the monies already borrowed by company (apart from temporary loans obtained from the companies bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that their total amount upto which the monies may be borrowed by the board of directors and outstanding any time shall not exceed the sum of Rs. 100 Crores exclusive of interest and the directors are hereby further authorised to mortgage, charge, hypothecate, lien, and issue promissory notes, deposits receipts and other deeds and instruments or writings as they may deem fit and containing such conditions and covenants as the directors may think fit.

7. To Consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

Resolved that pursuant to Section 81 (1-A) and applicable provisions of The Companies Act, 1956 and

TANU HEALTH CARE LIMITED

subject to the approval, if any required, of Securities and Exchange Board of India. (SEBI) and / or any other authorities and subject to permissions, consents and sanctions as may be necessary of other appropriate authorities and further subject to such terms and conditions and alterations and modifications as may be prescribed hereto by them while granting such approvals and permissions and which may be agreed to by the Board of Directors of the company (herein after referred to as the Board) the consent, authority and approval of the company be and is hereby given / accorded to the Board to offer, issue and allot upto 150,00,000 Equity Shares of Rs. 10/- each to be issued from time to time in one or more lots to promoters, promoter group (which expression shall mean and include the promoter's associate companies, their relatives, friends, companies controlled by them - hereinafter referred to as Promoter Group) and to persons not falling under promoters group at a price not less than Rs. 10/- per equity share or such price as worked out as per SEBI Guidelines for preference share allotment of shares which ever is higher, subject to such terms and conditions as may be deemed appropriate by the board at the time of issue and allotment of shares.

FURTHER RESOLVED THAT the shares referred to above shall in all respect rank pari passu with the existing fully paid up equity shares of the company, provided that they shall confer on the holders of the right to dividend, if any, for the financial year in which they are allotted or pro rata from the date of allotment of new shares.

FURTHER RESOLVED THAT the Board be and is hereby authorised to do all things, acts and deeds that may be necessary, required or incidental to carry out the foregoing resolution AND THAT the Board be and is hereby further authorised to delegate to a committee of directors all or any of its powers, and Authorities vested in it in terms of the resolution.

REGISTERED OFFICE

305, A Wing,
Krishna Apartments,
Mith Chowky, Marve Road,
Malad (West), Mumbai 400 064.

DATED : 15/06/2005

BY ORDER OF THE BOARD

G. K. AGRAWAL
Managing Director

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/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2) The explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of special business is annexed hereto
- 3) The Register of Members and the Transfer Book of the Company will remain closed from 18/07/2005 to 20/07/2005 (both days inclusive.)
- 4) Members / Proxies should bring attendance slip duly filled in for attending the meeting. Members are also requested to bring their copies of Annual Report.
- 5) Members are requested to notify immediately any change in their address details to the Company's Registrar and share transfer agents for shares held in demat / physical form at: Bigshare Services Private Limited E/2 Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072.
- 6) Printed copies of the Balance Sheet, Profit and Loss Account, Director's Report, the Auditor's Report and every other documents required by the law to be annexed or attached to the Balance Sheet for the period ended 31st March, 2005 are enclosed herewith.
- 7) Members seeking any information with regard to accounts are requested to write to the company at least one week in advance so as to enable the management to keep the information ready.
- 8) Proxies in order to be effective must be deposited duly stamped and signed at the Registered Office of the Company not less than 48-hours before the meeting.

15th ANNUAL REPORT 2004 - 2005**EXPLANATORY STATEMENTS PURSUANT TO THE PROVISIONS OF THE SECTION 173 (2) OF THE COMPANIES ACT, 1956.****Item No. 4.**

The Board of Directors at their meeting held on 24/02/2005 appointed Mr. Sushil P. Tiwari as Additional Director pursuant to Section 260 of The Companies Act, 1956. Mr. Sushil P. Tiwari holds office of Director upto the date of the ensuing annual general meeting. The company has received notice in writing from a member alongwith a deposit of Rs. 500/- proposing the candidature of Mr. Sushil P. Tiwari for the office of Director under the provisions of Section 257 of The Companies Act, 1956.

None of the Directors of the company is concerned or interested in this resolution except Mr. Sushil P. Tiwari. The Board recommends the Resolution for the approval of the members.

Item No. 5.

The Board of Directors at their meeting held on 24/02/2005 appointed Mr. Sandesh A. Gawde as Additional Director pursuant to section 260 of The Companies Act, 1956. Mr. Sandesh A. Gawde holds office of Director upto the date of the ensuing annual general meeting. The company has received notice in writing from a member alongwith a deposit of Rs. 500/- proposing the candidature of Mr. Sandesh A. Gawde for the office of Director under the provisions of Section 257 of The Companies Act, 1956.

None of the Directors of the company is concerned or interested in this resolution except Mr. Sandesh A. Gawde. The Board recommends the Resolution for the approval of the members.

Item No. 6

Vide the Resolution at item no. 6 the approval of the shareholders is sought to permit the board to borrow monies in excess of the company's Paid up- capital and free reserves. This is permissible U/S. 293 (1) (d) of The Companies Act, 1956 if the approval of shareholders is obtained thereof in the general meeting. Since the company has plans for expansion and diversification your board thinks it necessary to acquire this borrowing power and commends passing of this resolution.

None of the Directors is in anyway concerned or interested in this resolution proposed to be passed.

Item No.7

The approval of the shareholders was obtained for increasing the Authorized Share Capital of the Company by 17 Crores i.e. From 15 crores to 32 Crores in order to expand the Authorised capital base of the company and Issue Right Shares to the Existing shareholders up to or as near thereto 150,00,000 Equity Shares of Rs. 10/- each for cash at par. (at the EGM of the company held on 23rd February 2005) However, looking at that present situation and depending upon the fund requirements for expansion and diversification purpose, the Board of Directors feel either right issue or preference issue should be issued and this would also depend upon the conveniences and expediency for the raising funds. In the Board meeting held on 15th June 2005 the board of directors has decided since the approval of the shareholders has already been obtained for issue of right shares and in view of the above facts, the approval of shareholders for issuance of preference shares should also be obtained in the ensuing Annual General Meeting so that directors of the company may decide to issue right shares or preference shares depending upon the circumstances existing at the time of raising the funds.

Hence the resolution at Item No.7 is placed before the shareholders for their approval and the Board of directors recommends passing of this resolution in the interest and benefit of the company.

None of the directors is concerned or interested in the resolution except to the extent the preference share, which may be issued to Promoter Directors.

REGISTERED OFFICE

305, A Wing,
Krishna Apartments,
Vishal Nagar, Mith Chowky,
Marve Road, Malad (west),
Mumbai - 400 064.

DATED : 15/06/2005

**CERTIFIED TRUE COPY
FOR TANU HEALTH CARE LTD.**

**DIRECTOR / AUTH. SIGNATORY
COMPANY SECRETARY**

BY ORDER OF THE BOARD

**G.K. AGRAWAL
Director**

TANU HEALTH CARE LIMITED

Details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting.
(In pursuance of Clause 49 (vi) (A) of the Listing agreement.)

Director seeking Re-appointment

Name of the Director	TANU AGRAWAL
Date of Birth	04/10/1968
Date of Appointment	Since Incorporation
Expertise in any specific functional Area	Administration
Qualification	B.Sc.
Directorships held in other companies.(excluding foreign-companies.)	Gati.com Pvt. Ltd.
	Shreeji Herbal Ltd.
	Kushagra Software Ltd.
	Handful Investrade P Ltd.
Committee position held in other Companies	Kushagra Software Ltd.: Audit Committee, Remuneration Committee, and Shareholders / Investors Grievance Committee.

1.

Director seeking Appointment

Name of the Director	SHRI SUSHIL P. TIWARI
Date of Birth	25/06/1978
Date of Appointment	24/02/2005
Expertise in any specific functional Area	Finance & Accounts
Qualification	B. Com.
Directorships held in other companies.(excluding foreign-companies.)	Kushagra Software Limited
Committee position held in other Companies	Kushagra Software Ltd. Audit Committee Shareholders/Investors Grievance Committee and Remuneration Committee.

2.

Name of the Director	SHRI SANDESH A GAWDE
Date of Birth	11/11/1975
Date of Appointment	24/02/2005
Expertise in any specific functional Area	Software development
Qualification	B. Sc.
Directorships held in other companies.(excluding foreign-companies.)	Kushagra Software Limited
Committee position held in other Companies	Kushagra Software Ltd. Audit Committee Shareholders/Investors Grievance Committee and Remuneration Committee.

15th ANNUAL REPORT 2004 - 2005**DIRECTORS REPORT**

To The Members of Tanu Healthcare Ltd.,

The Directors are pleased to present the 15th Annual Report together with the Audited Accounts for the financial year ended 31st March, 2005.

FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	Year ended 31/03/2005	Year ended 31/03/2004
Income	3321.91	1356.64
Profit before Dep. & Interest	22.14	4.51
Depreciation	6.47	8.00
Interest	12.93	1.31
Profit after Depreciation & Interest	2.74	(4.80)
Less: prior Period item & loss on sale of fixed assets	0.20	24.92
Provision for Tax (deferred)	(0.93)	1.11
Profit after Tax	1.40	(28.61)
Balance brought forward	25.39	2.03
Balance carried to Balance Sheet	24.00	(26.58)

FINANCIAL HIGHLIGHTS

During the year Company's income is Rs 3321.91 Lacs as compared to Rs 1356.64 lacs in the previous year and thereby registering an increase of 245 % as compared to the previous year. Out of the total income of Rs. 3321.91, Rs. 1037.34 is from the Pharma business.

DIVIDEND

Your Directors are not declaring any dividend for the year under review.

FOREIGN EXCHANGE EARNINGS / OUTGO

During the year, under review there has been no foreign exchange outflow.

DEPOSITS

Your company has not accepted any deposits within the meaning of Section 58 A of The Companies Act, 1956.

PARTICULARS OF EMPLOYEES

During the year under review, no employee of the Company was in receipt of remuneration exceeding the sum prescribed under section 217(2A) of the Companies Act 1956, read with the Companies (particulars of employees) Rules 1975. Thus furnishing of particulars under the Companies ((particulars of employees) Rules 1975 are not applicable.

TANU HEALTH CARE LIMITED

DIRECTORS

During the year, Mr. Sushil P. Tiwari & Mr. Sandesh Gawde, have been co-opted as Additional Directors of the Company on 24/02/2005 pursuant to the provisions of Section 260 of the Companies Act, 1956 and that of the provisions of the articles of association of the company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mrs. Tanu Agrawal retire by rotation at the ensuing Annual General Meeting, and being eligible offers herself for reappointment.

Directors' Responsibility Statement

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

- (i) That in the preparation of the accounts for the financial year ended 31st March 2005 the applicable accounting standards have been followed, along with proper explanation relating to all material departures
- (ii) That they have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments 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 financial year and of the profit of the Company for that period.
- (iii) They have taken proper and sufficient care to the best of their knowledge and ability 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
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2005 on a going concern basis.

AUDITORS

M/s Durgesh Kabra & Co., Chartered Accountants, Mumbai, Auditors of the company hold office until the conclusion of the ensuing Annual General Meeting.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The particulars under the companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, on conservation of energy and technology absorption are not applicable.

LISTING OF SHARES

Equity shares of your Company are listed on Mumbai Stock Exchange only and the Company has paid the necessary Listing fees for the year 2004 - 2005 in time.

CORPORATE GOVERNANCE COMPLIANCE

As required under the listing agreement with the stock exchange, corporate governance and management discussion and analysis report form part of this Annual Report.

ACKNOWLEDGEMENTS

The Board of Directors wishes to express sincere thanks to Bankers, shareholders, clients, Financial institutions, customers, suppliers and employees of Company for extending support during the year.

FOR & ON BEHALF OF THE BOARD

PLACE: MUMBAI

DATE: 15/06/2005

G. K Agrawal

Managing Director

15th ANNUAL REPORT 2004 - 2005**CORPORATE GOVERNANCE****1. Company's Philosophy on Code of Governance**

TANU HEALTH CARE LIMITED's (THCL) philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its Shareholders, Employees, and the Government. (THCL) believes that all its operations and actions must serve the underlying goal of enhancing overall Shareholder value, over a sustained period of time.

2. Board of Directors

The Board of Directors consists of 5 Directors.

Composition and category of Directors is as follows:

Name of the Director	Category
G.K Agrawal	Promoter / Executive
Tanu Agrawal	Promoter / Non - Executive
Bankeylal Agrawal	Non-Executive Director
Sushil P. Tiwari	Non-Executive / Independent Director
Sandesh A. Gawde	Non-Executive / Independent Director

Brief Profile of the Directors to be appointed or re-appointed at the AGM is given in the explanatory statement attached to the notice convening the meeting.

Attendance of each Director at the Board meeting, last Annual General Meeting and Number of other Directorship and Chairmanship/membership of Committee of each Director in various companies:

Name of the Director	Attendance Particulars		No. of other directorships and committee member/Chairmanship		
	Board Meetings	Last AGM	Other Director Ship	Committee Member ship	Committee Chairman ship
Ms. Tanu Agrawal	6	Yes	<u>3</u>	2	2
Mr G.K.Agrawal	6	Yes	<u>4</u>	3	<u>1</u>
Mr Bankeylal Agrawal	4	No	No	No.	No.
Sushil P. Tiwari**	Nil	Yes	1	3	2
Sandesh A. Gawde**	Nil	Yes	1	3	Nil

** Appointed w.e.f 24/02/2005

During the year under review, Twelve meetings of the Board were held on 24/4/2004, 31/7/2004, 20/8/2004, 4/10/2004, 12/10/2004, 14/10/2004, 30/10/2004, 18/11/2004, 27/11/2004, 11/1/2005, 31/01/2005 & 24/02/2005.

The maximum time gap between any two meetings was not more than Four calendar months.

TANU HEALTH CARE LIMITED

3. Audit Committee

The Board has constituted Audit Committee, with majority of Directors being Non-Executive Directors. During the year under review Audit Committee met four times on 30/07/2004, 19/08/2004, 29/10/2004 & 29/01/2005. The Audit Committee comprises of Mr. G. K. Agrawal, Mrs. Tanu Agrawal, Mr. Bankeylal Agrawal, Mr. Sushil P. Tiwari and Mr. Sandesh A. Gawde out of which Mr. Sushil P. Tiwari & Mr. Sandesh A. Gawde are Independent Directors. The constitution of Committee also meets with the requirements under Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are, as contained in the Clause 49 of the Listing Agreement. The Company Secretary acts as the Secretary of the Committee.

4. Remuneration Committee

The remuneration of Executive Directors is decided by the Board of Directors on the recommendation of the Remuneration Committee as per remuneration policy of the company within the overall ceiling approved by the shareholders of the company.

The committee comprises of Mr. G. K. Agrawal, Mrs. Tanu Agrawal, Mr. Bankeylal Agrawal, Mr. Sushil P. Tiwari & Mr. Sandesh A. Gawde.

Details of remuneration paid to all the Directors for the year.

The aggregate value of salary, perquisites and commission paid for the year ended 31st March, 2005, to Managing Director is as follows:

Mr. G.K. Agrawal, Director Rs. 1,50,000/-

The Company pays no sitting fees to any Director for attending Board / Committee Meetings.

5. Shareholders' / Investors' Grievance Committee

The main function of shareholders / investor's Grievance committee is to supervise and to see that the transfer of shares are effected efficiently and properly in time. This committee also looks into the timely attendance of investor's complaints.

The committee consists of Shri G.K.Agrawal-Managing Director, Mrs. Tanu Agrawal-Director, Mr. Bankeylal Agrawal, Mr. Sushil P. Tiwari & Mr. Sandesh A. Gawde.

During the year under review the complaints received from the shareholders were replied / resolved satisfactorily. Company Secretary is the Secretary of the Committee.

6. General Body Meetings

a) Details of last three annual general meetings and other general meetings held during last two years are as follows:

2001 - 02	at	Regd office	30-09-02	11.00 A.M	12th AGM
2002 - 03	at	Regd office	02-09-03	11.00 A.M	13th AGM