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16th ANNUAL REPORT
2005-2006

REGD. OFF: 305, KRISHNA – A, VISHAL NAGAR, MITTH CHOWKY,
MARVE ROAD, MALAD (W), MUMBAI-64.

BOARD OF DIRECTORS

SHRI GIRRAJ KISHOR AGRAWAL	:	MANAGING DIRECTOR
SMT. TANU G. AGRAWAL	:	DIRECTOR
SHRI. BANKEYLAL AGRAWA	:	DIRECTOR
SHRI. SUSHIL TIWARI	:	DIRECTOR
SHRI SANDESH GAWDE	:	DIRECTOR
MS. SHEETAL KADAM	:	DIRECTOR

AUDITORS

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

REGISTERED OFFICE

REGD. OFF: 305, KRISHNA – A,
 VISHAL NAGAR,
 MITH CHOWKY, MARVE ROAD,
 MALAD (W),
 MUMBAI – 400 064.

REGISTRAR & TRANSFER AGENT

M/S. BIGSHARE SERVICES PVT. LTD.
 E/2, ANSA INDUSTRIAL ESTATE,
 SAKI VIHAR ROAD, SAKI NAKA,
 ANDHERI (E), MUMBAI – 72

ADVISERS

HDFC BANK LTD.

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TANU HEALTH CARE LTD.

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Shareholders of M/S. TANU HEALTHCARE LIMITED will be held on 26th September, 2006 at 5:00 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, 2006 and reports of Directors and Auditors thereon.
2. To appoint Shri G. K. Agrawal as Director of the company, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Shri Bankeylal Agrawal as Director of the company, who retires by rotation and, being eligible, offers himself for reappointment.
4. 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

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

"RESOLVED THAT Ms.Sheetal Kadam, who was appointed as Additional Director of the Company by the Board of Directors, under Section 260 of the Companies Act,1956 on 30th July, 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 her candidature for the office of Director, be and is hereby appointed as Director of the company liable to retire by rotation."

BY ORDER OF THE BOARD

**Managing Director
G.K.AGRAWAL**

REGISTERED OFFICE

305, Krishna "A",
Vishal Nagar,
Mith Chowky, Marve Road,
Malad (West), Mumbai 400 064.

DATED : 29/08/2006

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 Register of Members and the Transfer Book of the Company will remain closed from 22/09/2006 to 26/09/2006 (both days inclusive.)
- 3.) Members / Proxies should bring attendance slip duly filled in for attending the meeting. Members are also requested to bring their copies of Annual Report.
- 4.) 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.
- 5) 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, 2006 are enclosed herewith.
- 6) 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.
- 7) 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.
- 8) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is attached hereto.

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 APPOINTMENT**1. Director seeking appointment**

Name of the Director	Shri G. K. Agrawal
Date of Birth	19/05/1964
Date of Appointment	25/10/1989
Expertise in any specific functional Area Qualification	Taxation, Corporate Laws, Merchant Banking C.A. , B. Com
Directorships held in other companies. (Excluding foreign- companies.)	Kushagra Software Limited, Shreeji Herbals Ltd., Handful Investrade Pvt. Ltd.
Committee position held in other Companies	Audit Committee & Remuneration Committee : Kushagra Software Ltd., Shareholders/investors Grievance Committee - Kushagra Software Ltd.

TANU HEALTH CARE LTD.**2. Director seeking appointment**

Name of the Director	BANKEYLAL AGARWAL
Date of Birth	26/03/1939
Date of Appointment	29/01/2005
Expertise in any specific functional Area	Marketing.
Qualification	Under Graduate
Directorships held in other companies. (excluding foreign- Companies.)	Kushagra Software Ltd.
Committee position held in other Companies	Audit Committee & Remuneration Committee Kushagra Software Ltd., Shareholders/ investors Grievance Committee - Kushagra Software Ltd

3. Director seeking appointment

Name of the Director	Ms.Sheetal Kadam
Date of Birth	31/08/1980
Date of Appointment	30/07/2005
Expertise in any specific functional Area	Accounts
Qualification	T.Y.B.A
Directorships held in other companies. (excluding foreign- companies.)	Kushagra Software Ltd.
Committee position held in other Companies	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES, 1956.**Item No. 5.**

The Board of Directors at their meeting held on 30/07/2005 appointed Ms. Sheetal Kadam as Additional Director pursuant to Section 260 of The Companies Act, 1956. Ms. Sheetal Kadam 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 Ms. Sheetal Kadam 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 Ms. Sheetal Kadam.

The Board recommends the Resolution for the approval of the members.

BY ORDER OF THE BOARD

**Managing Director
G.K.AGRAWAL**

REGISTERED OFFICE

305, Krishna "A",
Vishal Nagar,
Mith Chowky, Marve Road,
Malad (West), Mumbai 400 064.

DATED : 29/08/2006

DIRECTORS REPORT**To The Members of Tanu Healthcare Ltd..**

The Directors are pleased to present the 16th Annual Report together with the Audited Accounts for the financial year ended 31st March, 2006.

Particulars	Year ended 31/03/2006	Year ended 31/03/2005
Income	1155.55	3321.91
Profit before Dep. & Int.	(207.39)	22.14
Depreciation	6.48	6.47
Interest	17.26	12.93
Profit after Depreciation & interest	(231.13)	2.74
Less: prior Period item & loss on sale of fixed assets	0.31	0.20
Provision for Tax (Deferred & FBT)	(58.44)	(0.93)
Profit after Tax	(173.00)	1.40
Balance brought forward	(24.00)	25.39
Balance carried to Balance Sheet	(197.00)	24.00

FINANCIAL HIGHLIGHTS

During the year Company's income is Rs 1155.55 Lacs as compared to Rs 3321.91 lacs in the previous year and thereby registering an decrease of 65.21 % as compared to the previous year.

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 EMPLOYEE

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 LTD.

DIRECTORS

During the year, Ms. Sheetal Kadam, has been co-opted as Additional Director of the Company 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 Mr. G. K. Agrawal and Mr. Bankeylal Agrawal retire by rotation at the ensuing Annual General Meeting, and being eligible offers themselves 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 2006 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, 2006 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.

WHOLE TIME COMPANY SECRETARY

During the year Mr. Subramaniam Sai Narayana resigned from the post of Whole Time Company Secretary and company is under process to appoint a suitable person for the post of Whole Time Company Secretary.

LISTING OF SHARES

Equity shares of your Company are listed on The Bombay Stock Exchange Ltd. only and the Company has paid the necessary Listing fees for the year 2005 – 2006 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 the Company for extending support during the year.

BY ORDER OF THE BOARD

**Managing Director
G.K.AGRawal**

DATED : 29/08/2006

CORPORATE GOVERNANCE**1. Company's Philosophy on Code of Governance**

TANU HEALTHCARE LIMITED (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 6 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
Sheetal Kadam*	Non-Executive / Independent Director

*Appointed w.e.f 30/07/2005

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	4	Yes	2	3	No
Mr. G.K.Agrawal	4	Yes	3	3	1
Mr. Bankeylal Agrawal	1	Yes	1	3	No
Sushil P. Tiwari	3	Yes	1	3	2
Sandesh A. Gawde	3	Yes	1	3	No
Sheetal Kadam	2	No	1	1	No

During the year under review, Four meetings of the Board were held on 15/06/2005, 30/7/2004, 31/10/2005 & 30/01/2006.

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

TANU HEALTH CARE LTD.

3. Audit Committee

The Audit Committee committee of the company has been reconstituted with Mr. Sushil P. Tiwari Director, Mr. Sandesh A. Gawde – Director, Ms. Sheetal Kadam as members of the committee, all the members of the committee are Independent Directors. The constitution of Committee also meets with the requirements under Section 292A of the Companies Act, 1956. During the year, the Committee has met 4 times. The terms of reference of the Audit Committee are as contained in the clause 49 of the Listing Agreement. Sushil P. Tiwari Independent Director is the Chairman of this committee.

4. Remuneration Committee

The remuneration of Executive Director 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, 2006, to Whole time Directors is as follows:

Mr. G.K. Agrawal, Director Rs. 1,82,000/-

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 transfers of shares are affected 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:

2002 - 03	at Regd. office	02-09-03	11:00 A.M	13th AGM
2003 - 04	at Regd. office	29-09-04	02:00 P.M	14th AGM
	at Regd. office	19-11-04	10:30 A.M	EGM
	At Sheetal Hall No.2, Landmark Bldg, Marve Rd, Malad (W), Mumbai –64.	23-02-05	03:30 P.M	EGM
2004 - 05	at Regd. office	20-07-05	03.00 P.M	15TH AGM

b) Postal Ballot: Postal Ballot was not conducted in any of the general body meetings held so far by the Company. Presently, the Company does not have any proposal for Postal Ballot

7. Disclosures:

a) There were no material transactions between the company and its Directors or management or their relatives that have any potential conflict with interests of the company at large. Transactions with related party are disclosed else where in the Annual Report. None of the transactions have potential conflict with interest of the company at large.