



Hester Pharmaceuticals Limited

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FOURTEENTH
ANNUAL
REPORT
2000-2001

BOARD OF DIRECTORS

Dr. V. A. Padval

Chairman

Dr. Bhupendra V. Gandhi

Vice-Chairman

Mr. Rajiv D. Gandhi

Managing Director

Mr. Sanjiv D. Gandhi

Executive Director

Mr. Darayus Lakdawalla

Mr. B. S. Bhalerao

Mr. Vimal Ambani

Mr. Ravin Gandhi

Ms. Bela Gandhi

Dr. Herry Shinkoi

Dr. John Donahoe

Nominee Director, M.B.L., U.S.A

Mr. A. C. Patel

*Nominee Director, G.I.I.C.Limited, Ahmedabad***Registered Office :**

Village : Merda Adraj,

Taluka : Kadi,

Dist : Mehsana, Gujarat 382 721

Corporate Office :

16/10, Devendra Society,

Naranpura,

Ahmedabad - 380 013.

Manufacturing Unit :

Village : Merda Adraj,

Taluka : Kadi,

Dist : Mehsana,

Gujarat - 382 721,

Bankers :

Bank of India,

Navrangpura Branch,

Ahmedabad - 380 009.

Auditors :

M/s. Shah Narielwala & Co

Chartered Accountants

608, 'Shitiratna',

Panchvati, Ellisbridge,

Ahmedabad - 380 006.

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Annual Report 2000-2001

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the Members of Hester Pharmaceuticals Limited, will be held on Saturday the 21st July, 2001 at Registered Office of the Company Village Merda Adraj, Taluka Kadi, District Mehsana, Gujarat 382 721. at 11.00 a. m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2001 and Profit and Loss Account for the year ended on that date, together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Ravin Gandhi, who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint a Director in place of Ms. Bela Gandhi, who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint a Director in place of Mr. Sanjiv D. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment
5. To appoint Auditor of the Company and fix their remuneration.

for Hester Pharmaceuticals Limited

Rajiv D. Gandhi
Managing Director

Date : 25th May, 2001

Registered Office : Village : Merda Adraj

Taluka : Kadi,

District : Mehsana, Gujarat - 382721.

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 a proxy need not be a Member of the Company. The proxy, in order to be effective, must deposit the proxy form at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2 Members/Proxies should bring their attendance slip duly filled in for attending the Meeting. Members are requested to bring their copies of Annual Report at the Meeting.
- 3 The Register of Members shall remain closed from Saturday, 14th July, 2001 to Saturday, 21st July, 2001 (both days inclusive).
- 4 Shareholder 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.
- 5 Members are requested to inform the Company regarding their change of address if any.

DIRECTORS' REPORT

Dear Shareholders,
Hester Pharmaceuticals Limited,

The Director present their 14th Annual Report and the Audited Statement of Accounts of the Company for the year ended March 31, 2001.

FINANCIAL RESULTS :

	(Rs. in Lacs)	
	Current Year	Previous Year
Profit / (Loss) before Depreciation & Tax	29.60	6.68
Less : Depreciation	22.95	21.84
Profit / (Loss) after Depreciation & Tax	6.65	(15.16)
Less : Provision for Tax	00.00	00.00
Prior period expenses	00.29	00.00
Net Profit / (Loss) After Tax	6.36	(15.16)
Less : Excess provision of Tax written back	00.00	00.00
Add : Balance brought forward	(222.26)	(207.10)
Balance carried to Balance Sheet	(215.89)	(222.26)

REVIEW OF OPERATION :

Having achieved a marginal cash profit in the year 1999-2000, the financial year 2000-2001 has been a year of many more achievements:

- ◆ For the first time, we have achieved a net profit, though marginal in nature.
- ◆ During the year, we received licences for producing 10 additional poultry vaccines.
- ◆ In September 2000, we signed a manufacturing agreement with Sinsui Inc., Japan, for producing poultry vaccines for them in their brands for their international market.

As against an average monthly sales of Rs. 19.27 in 1999-2000, we have achieved an average monthly sales of Rs. 25.83 lacs for the year 2000-2001, thereby registering a growth of 34%.

In terms of vaccine doses, we produced 245.23 million doses as against 157.96 million doses in 1999-2000.

During this financial year, we hope to get ISO 9001 as well as GMP certification.

For the current financial year, we hope to achieve a turnover for Rs. 400 lacs, thereby ensuring a sizable net profit.

I take this opportunity to thank all shareholders for being patient with the progress of the company.

DIVIDEND :

Your Directors do not recommend any dividend for the year 2000-2001.

DIRECTORS :

Mr. Ravin Gandhi, Ms. Bela Gandhi and Mr. Sanjiv D. Gandhi, Directors are retiring by rotation and being eligible, offer themselves for re-appointment.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION :

Information under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of board of Directors) Rules, 1988 and forming part of Director's Report.

I. CONSERVATION OF ENERGY**Energy conservation measures taken :**

Company has achieved higher production level and the capacity utilisation has improved as compared to the last year, During the year no additional investment has been made to conserve energy, however, the Company is planning to undertake energy audit in the current year so that it helps to save the electricity cost.

Annual Report 2000-2001**Total energy consumption and energy consumption per unit of production :**

		31.03.2001	31.03.2000
(A) Power and Fuel Consumption :-			
Electricity :			
(a) Purchased			
Units	Kwh	2,86,677.00	2,26,497.00
Total Amount	Rs.	12,99,492.00	11,55,062.00
Rate / Unit	Rs.	4.53	5.09
(b) Own Generation through Diesel Genset			
Units	Kwh	10,760.00	6070.00
Units per litre of Diesel Oil	Kwh	2.10	1.44
Cost / Unit	Rs.	8.05	10.65
(B) Consumption per unit of production :			
Electricity consumed per vial (in units)		1.22	1.96

II RESEARCH & DEVOPMENT AND TECHNOLOGY ABSORPTION

Since the Company is standardising the production procedures, it is very per-mature to comment upon the Reserach activities. However, programmes for developing other vaccines are under progress. As and when the Company increases the production activity, the Company would concentrate more on Research and Development programs.

FOREIGN EXCHANGE EARNINGS & OUTGO

There is no earning of foreign exchange during the year. Total outgo of foreign exchange during year was Rs. 59.23 lacs, towards purchase of Raw Materials, Purchase of Machinery and travelling expenses, as compared to Rs. 30.96 lacs during the previous year.

CHANGE OF REGISTERED OFFICE :

The Company has shifted its Registered Office from 16/10, Devendra Society, Naranpura, Ahmedabad 380 013 to its factory site at Village Merda Adraj, Taluka Kadi Dist. Mehsana, Gujarat 382 721 with effect from 1st May, 2001 so as to have senergy among various functions and also to have better control on the activities of the Company. Necessary approval from the members was obtained in the Extra Ordinary general Meeting held on 30th April, 2001.

PUBLIC DEPOSITS :

Your company has not invited or accepted any deposits under Section 58A of the Companies Act, 1956, from the public during the year.

PARTICULARS OF EMPLOYEES :

Particulars with regard to employees under section 217(2A) of the Companies Act, 1956, during the year, to whom remuneration of not less than 12,00,000/- per year paid in respect of persons employed through out the financial year or to whom remuneration of not less than Rs. 1,00,000/- per month paid in respect of persons employed for part of the financial year is not applicable this year, as there were no employees drawing the said amount.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2AA) of the Companies Act, 1956 your Directors confirm the following.

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed
2. Your Directors have selected such accounting policies and applied them consistently and made judgement and estimate they 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 ended on 31st March. 2001.
3. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. Your Directors have prepared the attached statements of accounts for the year ended 31st March, 2001 on a going concern basis.

AUDITORS :

M/s. Shah Narielwala & Co., Chartered Accounts, Ahmedabad, auditors of the Company, retire at the ensuing annual general meeting and are eligible for reappointment.

ACKNOWLEDGEMENT :

The Directors sincerely express their deep appreciation to Gujarat Industrial Investment Corporation Limited, Bank of India, Employees at all levels, shareholders and customers for their sustained support and co-operation during this through year. Your Directors also acknowledge the support and guidance received from the various departments and agencies of Central and State governments. Your Directors appreciated the support provided by M/s. Maine Biological Laboratories, U.S.A and convey thanks to the esteemed shareholders whose support has encouraged us to venture and implement this project successfully.

By order of the Board

May 25, 2001

Rajiv D. Gandhi
Managing Director

Registered Office :
Village : Merda Adraj,
Taluka : Kadi,
District : Mehsana 382721