



NecLife

Nectar Lifesciences Ltd.



Report  junction.com

Annual Report 2005



Board of Directors



1. Dr. S.P. Singh	Director
2. Sh. V.D. Aggarwal-F.C.A.	Director
3. Sh. Rajesh Garg	Director
4. Sh. Vijay J. Shah	Director
5. Smt. Raman Goyal	Director
6. Sh. Sanjiv Goyal	Managing Director

AUDIT COMMITTEE

1. Sh. V.D. Aggarwal-F.C.A.
2. Sh. Rajesh Garg
3. Dr. S.P. Singh

1. **V.P. Finance** : Sh. Sandeep Goel (L.L.B., F.I.C.W.A.)
2. **Company Secretary** : Sh. Sunder Lal (B.Com, F.C.S.)
3. **Auditors** : Bansal Mittal & Co., Chartered Accountants
SCO No. 2935-36, 1st Floor, Sector 22-C, Chandigarh
4. **Bankers** : Punjab National Bank, Sector 16-D, Chandigarh
State Bank of India, Specialised Commercial Branch,
Sector 17-B, Chandigarh
5. **Registered Office & Works** : Village Saidpura, Tehsil Derabassi, Distt. Patiala (Punjab) India
Ph: 01762-281187, 281287, 281387
Fax: 01762-281187
6. **Corporate Office** : 110, Industrial Area, Phase 1, Chandigarh-160 002 (U.T.) (INDIA)
Ph: 0172-2658317, 2655166, 2655438, 2655775
Fax: 0172-2655377
Email: sales@neclife.com
Website: <http://www.neclife.com>



NOTICE

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 10th Annual General Meeting of the Members of Nectar Lifesciences Ltd. will be held on Thursday, the 23rd June, 2005 at 3.00 p.m. at registered office of the company i.e. Village Saidpura, Tehsil Derabassi, Distt. Patiala (Punjab) to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2005, the balance sheet as at that date and the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Dr. S.P. Singh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sh. V.D. Aggarwal-FCA, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s Bansal Mittal & Company, Chartered Accountants, the retiring Auditors of the Company, as Auditors, who shall hold office from the conclusion of this Annual General Meeting Until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

Regd. Office :
Nectar Lifesciences Ltd.
Village Saidpura, Tehsil Derabassi,
Distt. Patiala (Punjab)

Dated: 28.05.2005

Sd/-
Sanjiv Goyal
Managing Director

NOTICE



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 the proxy need not be a Member of the company. The instrument appointing a proxy should, however, be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
2. The dividend on Equity Shares, if declared, at the Annual General Meeting (AGM) will be paid after the AGM.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.

By Order of the Board

Regd. Office :
Nectar Lifesciences Ltd.
Village Saidpura, Tehsil Derabassi, Distt. Patiala (Punjab)

Sd/-
Sanjiv Goyal
Managing Director

Dated: 28.05.2005

-----TEAR HERE-----

NECTAR LIFESCIENCES LTD.

Regd. Office : Village Saidpura, Tehsil Derabassi, Distt. Patiala (Punjab)

Regd. Folio No.	
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I / We of
..... being a member/members of
Nectar Lifesciences Ltd. hereby appoint of
..... or failing him
..... of as my /
our proxy to vote for me /us and on my/our behalf at the 10th ANNUAL GENERAL MEETING to be
held on Thursday, the 23rd June 2005 at 3.00 p.m. or at any adjournment thereof.

Signature this Day of 2005

Affix a 15 paisa Revenue Stamp

Note : The proxy in order to be effectuated should be duly stamped, completed and signed and must be deposited at the Registered Office of the company no less than 48 hours before the time of holding the aforesaid meeting. The proxy need not be a member of the company.



Nectar Lifesciences Ltd.

DIRECTORS REPORT

DIRECTOR'S REPORT :

We have pleasure in presenting the 10TH Annual Report and Audited Accounts for the year ended 31st March 2005.

i) <u>Financial Results :</u>	(Rs. in Lacs)
1. Sales	22068.85
2. Misc. Income	1072.31
3. Net Profit before Tax	1848.18
4. Provision for Tax	361.57
5. Net Profit after Tax	1486.61
6. Proposed Dividend	110.17
7. Income Tax and expenses relating to previous year	67.79
8. Tax on Dividend	14.40
9. Deferred Tax	159.31
10. Balance Carried Forward	1134.94

ii) **Operations :**

The Company in its eighth year of operations has achieved a sale turnover of Rs. 22068.85 Lacs. The company has achieved Net Profit after tax of Rs. 1486.61 Lacs, which is 8.57% more as compared to previous year.

iii) **Dividend :**

The board of directors propose to declare a dividend of 10%.

iv) **Fixed Deposits :**

The company has not accepted any Fixed Deposit during the year.

v) **Directors :**

Dr. S.P. Singh and Sh. V.D. Aggarwal-FCA retire by rotation and being eligible offer themselves for re-appointment.

DIRECTORS REPORT



vi) Constitution of Audit Committee :

As per the requirement of Section 292A, an Audit Committee has been re-constituted comprising Sh. V.D. Aggarwal-FCA as Chairman and Sh. Rajesh Garg and Dr. S.P. Singh as members.

vii) Compensation Committee :

The Compensation Committee has been constituted comprising of Sh. Rajesh Garg, Dr. S.P. Singh, Sh. Vijay J. Shah.

viii) Investor Grievances and Share Transfer Committee :

The Investor Grievances and Share Transfer Committee has been constituted comprising of Dr.S.P. Singh, Sh. Sanjiv Goyal and Smt. Raman Goyal.

ix) Directors' Responsibility Statement :

The Board of Directors of the Company confirm :

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements 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 the financial year and of the profit or loss of the Company for that period;
- iii) that the Directors had 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;
- iv) that the Directors had prepared the annual accounts on a going concern basis.

x) Research & Development :

R&D is a continuous process in the company and the company has been able to develop products like Cefuroxime Axetil, Amorphous, Cefipime Sterile, Cefpodoxime Proxetil,

DIRECTORS REPORT

Sulbactam Sodium Sterile besides recovery of solvents like Pivoly Chloride, Ethyl Aceto Acetate, Methanol, Triethylamine, Butyl Acetate, Ethyl Acetate, I.P.A., Aceto Nitrile etc.

xi) Disclosure of Particulars :

The information relating to conservation of Energy, Technology Absorption and Foreign Exchange Earnings and out go as required under section 217(I)(e) of the Companies Act, 1956 read with the company (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is annexed and forms part of this report.

xii) Auditors :

M/s Bansal Mittal & Company, Chartered Accountants, Auditors of the Company, retires at the ensuing Annual General Meeting and are eligible for re-appointment. They offer themselves for re-appointment.

xiii) Particulars of employees :

The particulars of employees as required to be disclosed in accordance with the provisions of Sec. 217 (2A) of The Companies Act, 1956 and The Companies (Particulars of Employees) Rules, 1975 as amended are annexed to the Directors' Report. However, as per the provisions of Sec. 219 (1) (b) (iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary.

xiv) Acknowledgement :

We, the directors take this opportunity to thank Company's bankers' financial institutions, the medical profession and trade for their continued support, co-operation and patronage. We express our heartiest thanks to the Shareholders for their excellent support and the confidence reposed by them in the management.

Place : Chandigarh
Date : 28.05.2005

For and on Behalf of the Board

Sd/-
(SANJIV GOYAL)
MANAGING DIRECTOR

ANNEXURE 'A' TO DIRECTORS REPORT



Information as per Section 217 (I)(e) read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March, 2005.

A Conservation of Energy

- a) Energy conservation measures taken All out efforts are being made to conserve the energy.
- b) Additional investment and proposals if any, being implemented for reduction of consumption of energy. No
- c) Impact of the measures as (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. Only Marginal impact noted

d) Power & Fuel Consumption :

1. ELECTRICITY

Current Year ended on
31.03.2005

i) Purchased Units	7327183.00
Total amount in (Rs.)	27739450.00
Rate/Unit in (Rs.)	3.79
ii) Own Generation through DG Set Units	4928464.00
Total Amount in (Rs.)	25923722
Cost/Unit in (Rs.)	5.26

ANNEXURE 'A' TO DIRECTORS REPORT

2. OTHERS

I) Consumption per unit of production Bulk Drugs/M.T.	<u>Current Year</u>
Electricity (Unit/M.T.)	13430 Units
Diesel (Ltrs/M.T.)	2183 Ltrs.
Furnace Oil (Ltrs/M.T.)	2746 Ltrs.

B. Technology Absorption :

1. RESEARCH & DEVELOPMENT

- | | |
|--|--|
| i) Specify area in which R&D has been carried out by the Company | R&D is a regular and continuous process and company has Developed a few molecules in the IInd & IIIrd generation antibiotics. |
| ii) Benefits derived as a result of the above R&D | <p>The company has further been able to develop new products namely Cefuroxime Axetil Amorphous, Cefpodoxime Proxetil, Cefipime Sterile, Sulbactam Sodium Sterile which are in good demand.</p> <p>The company has developed own solvent recovery plant for recovery of various chemicals & solvents which has reduced the cost of production.</p> |
| iii) Future Plan of action | The company is having thrust on its own R&D which is regularly working on modernisation and development of its existing technological system & firmly believes that R&D would benefit the company in coming years by way of improvisation in productivity, performance and cost reduction. |

ANNEXURE 'A' TO DIRECTORS REPORT



iv) Expenditure on Research & Development

a) Capital Rs. 465.30 Lacs

b) Total R&D expenditure as a percentage of total turnover 2.11%

2. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION NOT APPLICABLE.

C Foreign Exchange Earnings and Outgo :

1. During the year the company has exported its products namely Ampicillin Sodium Sterile, Cloxacillin Sodium Sterile and Amoxycillin Trihydrate, Cefixime Trihydrate, Cefotaxime Sodium Sterile, Ceftriaxone Sodium Sterile, Cefazolin Sodium Sterile to Singapore, Taiwan, Germany, Nigeria & HongKong etc. The company is further making efforts to export new products in the new markets and in the current year the company further expects better its export sales.

2. Total foreign exchange earnings and outgo :

a) Total foreign exchange earnings Rs. 3055.74 Lacs

b) Total foreign exchange outgo including capital expenditure Rs. 11124.94 Lacs