

# Hester Pharmaceuticals Limited

EIGHTEENTH  
A N N U A L  
R E P O R T  
2004 - 2005



## **ANNUAL REPORT 2004-2005**

**BOARD OF DIRECTORS :**

Dr. Bhupendra V. Gandhi	<i>Chairman</i>
Mr. Rajiv D. Gandhi	<i>CEO &amp; Managing Director</i>
Mr. Sanjiv D. Gandhi	
Mr. Darayus Lakdawalla	
Mr. Ravin Gandhi	
Ms. Bela Gandhi	
Mr. Vimal Ambani	
Mr. Abhinav Shukla	
Dr. Parimal Tripathi	<i>Alternate Director</i>

**REGISTERED OFFICE :**

Village : Merda Adraj,  
Taluka : Kadi,  
District : Mehsana, Gujarat 382 721

**CORPORATE OFFICE :**

16/10, Devendra Society,  
Naranpura,  
Ahmedabad - 380 013.

**MANUFACTURING UNIT :**

Village : Merda Adraj,  
Taluka : Kadi,  
District : Mehsana, Gujarat - 382 721

**BANKERS :**

Bank of India  
Navrangpura Branch,  
Ahmedabad - 380 009.

**AUDIT COMMITTEE**

Mr. Darayus Lakdawalla	<i>Chairman</i>
Mr. Sanjiv D. Gandhi	<i>Member</i>
Mr. Vimal Ambani	<i>Member</i>
Dr. Parimal Tripathi	<i>Member</i>

**SHAREHOLDERS' GRIEVANCE COMMITTEE**

Mr. Darayus Lakdawalla	<i>Chairman</i>
Mr. Sanjiv D. Gandhi	<i>Member</i>

**REMUNERATION COMMITTEE**

Mr. Darayus Lakdawalla	<i>Chairman</i>
Mr. Vimal Ambani	<i>Member</i>
Dr. Parimal Tripathi	<i>Member</i>

**AUDITORS :**

M/s. Shah Narielwala & Co.  
*Chartered Accountants*  
608, 'Shitiratna',  
Panchvati, Ellisbridge,  
Ahmedabad - 380 006.

**REGISTRAR & SHARE TRANSFER AGENTS**

M/s. Pinnacle Shares Registry Pvt. Ltd.  
Near Ashoka Mills, Naroda Road,  
Ahmedabad - 380 025.

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**NOTICE**

**NOTICE** is hereby given that **18th** Annual General Meeting of the Members of Hester Pharmaceuticals Limited, will be held on **Wednesday, the 15th June, 2005 at 11.00 a. m.** at Registered office of the Company at Village : Merda - Adraj, Taluka : Kadi, District : Mehsana, Gujarat 382 721 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2005 and Profit & Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend on Preference shares and Equity shares
3. To appoint a Director in place of Ms. Bela Gandhi, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Mr. Vimal Ambani, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors of the Company and fix their remuneration.

**SPECIAL BUSINESS**

6. To revision in remuneration of Mr. Rajiv D. Gandhi, CEO and Managing Director of the Company

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution** :-

**"RESOLVED THAT**, pursuant to the provisions of Section 198,309,310 and other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII thereof, consent of the Company be and is hereby accorded for the revision in terms of remuneration payable to Mr. Rajiv D. Gandhi, CEO and Managing Director of the Company, with effect from 01.10.2004, as set out in the Explanatory Statement annexed hereto."

**"RESOLVED FURTHER THAT**, in the event of absence or inadequacy of net profits for the financial year, the salary and perquisites as set out in the Explanatory Statement annexed hereto, shall be treated as the minimum remuneration payable to Mr. Rajiv D. Gandhi, CEO and Managing Director of the Company."

7. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution** :-

**"RESOLVED THAT** Mr. Abhinav Shukla who was appointed as an Additional Director of the Company and who ceases to hold office under section 260 of the Companies Act, 1956 from the date of this meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for Director be and is hereby appointed as Director of the Company, liable to retire by rotation."

8. Authority to Directors to borrow in excess of the paid-up capital and free reserves.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution** :-

**"RESOLVED THAT** in supersession of Resolution passed at the Extra- Ordinary General Meeting of the Company held on 23rd June, 1994, the consent of the Company be and is hereby accorded in terms of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) 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, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs.20 crores."

9. Creation of Charge

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution** :-

**"RESOLVED THAT** pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events in favour of Banks/Financial Institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to Ordinary shares and/or rupee/foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, shall not, at any time exceed the limit of Rs.20 crores.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

10. Redemption of Cumulative Preference Shares :

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution** :-

**"RESOLVED THAT** pursuant to the provisions of section 80 of the Companies Act, 1956, the 8% redeemable preference shares of Rs.100/- each, which are due for redemption, be redeemed, immediately after the approval by the members at this meeting, from the profits of the Company, by paying off 1,40,530 preference shares at par."

**“RESOLVED FURTHER THAT** the Managing Director be and is hereby authorized to take all steps for the purpose of redeeming the shares in accordance with the provisions of Articles of Association of the Company/ terms of issue of the shares.”

11. Change of Name

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 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, (now delegated to the Registrar of Companies) the existing name of the Company be changed from “Hester Pharmaceuticals Limited” to “Hester Biosciences Limited” and accordingly consequential amendments be made in the Memorandum and Articles of Association of the Company and incidental documents, name plates etc., consequent upon the new name of the Company becoming effective.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient to implement the above resolution without being required to seek any further consent or approval of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

Date : **21st April, 2005**

for **Hester Pharmaceuticals Limited**

**Registered Office :**

Village : Merda Adraj

Taluka : Kadi

District : Mehsana, Gujarat - 382 721.

**Rajiv Gandhi**  
Managing Director

**Note**

- Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 is annexed as a part of this notice.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Under the provisions of Companies Act, 1956, voting is by show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000/-.
- The Proxies should be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
- The Register of Members and Share Transfer Books of the Company shall remain closed from **Wednesday, 8th June, 2005 to Wednesday, 15th June, 2005 (both days inclusive)**.
- The payment of Dividend as recommended by the Directors if approved at the Meeting, will be made:
  - (i) to those members whose names are on the Register of Members on 15th June, 2005 or to their mandates.
  - (ii) in respect of shares held in electronic form, to those “deemed members” whose names appears of the statement of beneficiary ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd.(CDSL) at the end of business hours on **7th June, 2005**.
- Members are requested to note the following :
  - The Company has appointed M/s. Pinnacle Shares Registry Pvt. Ltd. as R&T agent for both Demat & Physical share transfer work, hence any documents for share transfer, transmission, transposition, change of bank account details, nomination and other communication regarding shareholding in the company should be addressed to R&T agent, as per following address.

M/s. Pinnacle Shares Registry Pvt. Ltd.  
Unit : Hester Pharmaceuticals Limited  
Near Asoka Mills, Naroda Road, Ahmedabad 380 025. Gujarat  
Ph. 079 - 2220 0338 / 2220 0582, Fax : 079 - 2220 2963, e-mail : gautam.shah@psrpl.com
  - To quote folio no. / DP ID & CL. ID for any communication for their shareholding.
  - To bring the copy of Annual Report at the meeting.
- At the ensuing Annual General Meeting, Ms. Bela Gandhi & Mr. Vimal Ambani, retire by rotation and being eligible offer themselves for re-appointment. Mr. Abhinav Shukla is also proposed to be appointed as regular Director of the Company. The information or details pertaining to them to be provided in terms of clause 49 of the Listing Agreement with the Stock Exchanges is furnished in the statement of Corporate Governance published elsewhere in this Annual Report.
- The copies of relevant documents can be inspected at the Registered office of the Company on any working day between 11.00 a.m. to 5.00 p.m. up to the date of A.G.M.
- **The Company has made transport arrangement for attending the Annual General Meeting for the shareholders from the Corporate office of the Company. The shareholders who intend to avail the facility may write to the company quoting their folio number and such requisition should reach the company before 10th June, 2005.**
- The Company's shares are listed at Mumbai Stock Exchanges. The Company has paid listing fees to Mumbai Stock Exchange for financial year **2005-2006**.

### Explanatory Statement

[pursuant to section 173 (2) of the Companies Act, 1956]

#### Item No.6

The Board of Directors, on the recommendation of the Remuneration Committee, at their meeting held on 27th October, 2004 had approved the revision in the remuneration payable to Mr. Rajiv D. Gandhi, Managing Director with effect from 1st October, 2004 till his appointment period, keeping in mind his contribution to the growth and development of the Company, as well as the compensation package prevalent in the industry, the Board had approved the following remuneration for him :

(a) **Salary** Rs. 1.00,000/- p.m.

(b) **Perquisites** : In addition to the salary, the following perquisites shall be allowed to the Managing Director and the total value of perquisites shall be restricted to an amount equal to the annual salary.

#### CATEGORY - "A"

i) **Housing** :

The Company shall provide furnished accommodation including its maintenance to the Managing Director. If the Managing Director is having his own accommodation, the Company shall pay house rent allowance at the rate of Rs. 15000/- per month, subject to a limit of 20 % of his salary.

The Company shall provide equipments and appliances, furniture, fixtures and furnishing, including maintenance of all, at the residence of the Managing Director at the entire cost of the Company.

The Company shall reimburse the expenses of gas, electricity, water etc. The expenditure on these, valued in accordance with the Income-tax Rules, shall not exceed 10% of the salary.

ii) **Medical Reimbursement** :

Medical Expenses actually incurred for self and family shall be reimbursed by the Company under the Mediclaim policy.

iii) **Leave Travel Concession** :

The Company shall provide leave travel fare for the Managing Director and his family once in a year.

iv) **Personal Accident Insurance** :

The Company shall pay Personal Accident Insurance up to Rs.5000/- per annum.

v) **Club Fee** : The Company shall pay and / or Reimburse Fees and Expenses (excluding admission and Life membership fees) of clubs, subject to a maximum of two clubs.

#### CATEGORY - "B"

i) The Company shall contribute towards Provident Fund/Superannuation Fund/Annuity Fund provided that such contributions either singly or put together shall not exceed the tax free limit prescribed under the Income-tax Act.

ii) The Company shall pay Gratuity at the rate not exceeding half month's salary for each completed year of service.

iii) Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per rules of the Company.

The perquisite under this Category shall not be included in the computation of ceiling on remuneration.

#### CATEGORY - "C"

i) The Company shall provide a Car with Driver at the entire cost of the Company for use for the business of the Company. Use of Car for personal purposes shall be billed by the Company.

ii) The Company shall provide telephone including mobile phone at the residence of the Managing Director at the entire cost of the Company. Personal long-distance calls shall be billed by the Company.

iii) The Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof. He shall, however, be reimbursed the actual travelling, lodging and boarding expenses incurred by him for attending meetings of the Board of Directors and/or committees thereof.

iv) The remuneration referred to above is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% of the annual net profits of the Company on the remuneration of the Managing Director and other Executive Directors of the Company taken together. Provided, however, that in the event of absence or inadequacy of profit, the Managing Director shall be entitled to remuneration mentioned under (a) above and perquisites as above within the minimum remuneration specified in Schedule XIII to the Companies Act, 1956.

v) In the event of cessation of office during any financial year, a ratable proportion of the aforesaid remuneration shall be payable by the Company.

vi) The Managing Director shall be entitled to reimbursement of all expenses incurred in connection with the business of the Company.

vii) "Family" means the spouse, dependent children and dependent parents of Managing Director.

viii) Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed

The Board recommends the resolution for approval of Shareholders. Except Mr. Rajiv Gandhi, himself and Mr. Sanjiv Gandhi, relative of him, none of the other Directors are interested or concerned in this resolution.

**ITEM NO. 7**

Mr. Abhinav Shukla was appointed as an Additional Director of the Company with effect from 21st April, 2005 pursuant to Articles of Association of the Company read with Section 260 of the Companies Act, 1956. Accordingly his term expire at the ensuing Annual General Meeting.

The Company has received notice from a member alongwith deposit amount for him, as required under Section 257 of the Companies Act, 1956 proposing his name as Directors of the Company.

Your Directors consider that the wide experience possessed by him will be in the interest of the Company. Hence your Directors recommend his appointment.

None of the Directors of the Company is concerned or interested in the Resolution, except Mr. Abhinav Shukla, himself.

**ITEM NO.8 & 9**

Under Section 293(1)(d) of the Act, the Board of Directors of a company cannot except with the consent of the company in general meeting, borrow monies, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose.

Taking into consideration the requirements of additional funds to meet the cost of the Company's Capital Expenditure Programmes as also additional working capital requirements of the Company, it is expected that the limit, as sanctioned by the shareholders is likely to be exceeded. The consent of the Shareholders is therefore, sought in accordance with the provisions of Section 293(1)(d) of the Act, to enable the Directors to borrow monies to the extent of Rs.20 crores. The Resolution under Item No. 8 is to obtain the consent of the shareholders' for this purpose. Even with the proposed borrowing, the debt equity ratio of the Company will be within a reasonable limit.

The proposed borrowings of the Company be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the security holders/trustees for the holders of the said securities. As the documents to be executed between the security holders/trustees for the holders of the said securities and the Company, it is necessary to pass a resolution under Section 293(1)(a) of the Act, for creation of charges/ mortgages/ hypothecations for an amount not exceeding the borrowing limit of Rs. 20 crores.

The proposed borrowings are in the interest of the Company and your Directors commend the Resolutions in Item Nos. 8 & 9 of the Notice for acceptance of the members.

None of the Directors are interested in the resolutions at Item Nos. 8 and 9 of the accompanying Notice.

**ITEM NO. 10**

The Company had issued 8% Redeemable Preference Shares of Rs. 100/- each in the year 1999. Total 140530 shares were issued to be redeemed after 6 years. As per the terms of this preference shares, full amount is to be redeemed at par on the due date, i.e. 22/4/2005.

Pursuant to the provisions of section 80 of the Companies Act, 1956, the company can redeem the Preference shares either out of the profits of the company which would be otherwise available for dividend or out of the proceeds of a fresh issue of shares. The Board of Directors of the Company intend to redeem out of the profits of the Company. But for deriving the amount of profits, approval of the annual accounts for the year is require by the members and due to this reason, it was decided by the Board to redeem the shares, immediately after the completion of this meeting.

The proposed redemption is in the interest of the Company and your Directors commend the Resolutions in Item Nos. 10 of the Notice for acceptance of the members.

None of the Directors are interested in the resolutions at Item Nos.10 of the accompanying Notice.

**ITEM NO. 11**

The Company was incorporated on 29th April, 1987 as 'Hester Pharmaceuticals Private Ltd.' and subsequently converted to Public Ltd. on 17th November, 1993. The Company is manufacturing various types of Poultry Vaccines.

Your directors feel that even though, the company's products, mainly poultry vaccines are broadly called as pharmaceuticals products, but specifically in real terms, all the products are based on bio technology or bio science and called as bioscience products or by-products.

It seems imperative for us to give a reflection of our activities in our company's name. The board has therefore recommended a change in name of the company from HESTER PHARMACEUTICALS LIMITED to **HESTER BIOSCIENCES LIMITED**, by replacing the existing word "Pharmaceuticals " with "Biosciences", subject to approval by the share holders and subsequent approvals from other statutory authorities.

Pursuant to Section 21 of the Companies Act, 1956, approval of Members vide Special Resolution as also the approval of other authorities are required to change the name of the Company and accordingly, the Members approval is sought in this behalf as set out in this item of the Notice.

The Board of Directors accordingly recommend the Resolution for approval by the Members.

Date : **21st April, 2005**

**Registered Office :**

Village : Merda Adraj

Taluka : Kadi

District : Mehsana, Gujarat - 382 721.

for **Hester Pharmaceuticals Limited**

**Rajiv Gandhi**  
Managing Director

**DIRECTORS' REPORT****Dear Shareholders,**

Your Directors have pleasure in presenting the 18th Annual Report and the Audited Statement of Accounts of the Company, for the year ended 31st March, 2005.

**HIGHLIGHTS**

The financial year 2004-05 had been a very eventful year.

- The company grew at 111% in terms of sales.
- The company registered a growth in Net Profit of 226%.
- The financial position enabled the Board to approve the redemption of preference equity of Rs. 1.40 crores, along with the accumulated dividend @ 8% per annum, since April 1999.
- The company added fixed assets worth Rs. 36.81 lacs to enhance the production capacity. This capacity increase took place in the first quarter of the financial year.
- As you are aware, Hester has an exclusive representation from Merial for Merial's range of poultry vaccines. Hester commenced business with Merial in the 3rd quarter of the financial year by importing poultry vaccines from them. Merial is the world's largest Animal Health Company having a turnover of over USD 2 Billion. In the current financial year, we hope to further consolidate on our tie-up with Merial by introducing specialty poultry vaccines in which Merial has the largest market share in the world, as much as nearly 90% market share in many countries.
- We continue to hold the GOOD MANUFACTURING PRACTICES certification from the drug authorities.
- We continue to be an ISO 9001:2000 certified company.

**FINANCIAL RESULTS**

	(Rs. In Lacs)	
	31-03-2005	31-03-2004
Profit before Depreciation & Tax	666.55	221.88
Less : Depreciation	31.98	26.95
Profit after Depreciation & Tax	634.57	194.93
Less : Provision for Tax		
Deferred Tax	39.40	71.04
Current Tax	200.00	16.20
Earlier Years income tax	0.90	0.00
Less : Prior Period Expenses	0.00	0.87
Net Profit After Tax	394.26	106.82
Balance of Profit & Loss A/c	4.66	(82.16)
Profit Available For Appropriation	398.92	24.66
Capital Redemption Reserve	0.00	20.00
Dividend on preference shares	11.24	0.00
Dividend on equity shares	42.33	0.00
Dividend Tax	7.00	0.00
General Reserve	297.49	0.00
Balance carried to Balance sheet	40.86	4.66

- Against an estimation of Rs. 12 crores, we achieved sales of Rs. 16.24 crores.
- During the year under review the company registered an impressive 111% growth in turnover with an increase of 201% growth in a cash Profit and 226% growth in Profit before tax.
- Net Profit ratio improved from 14% of previous financial year to 24% during the current financial year.
- The company has progressively reduced its debts exposure and interest burden during the year, consequently Debt - Equity ratio has come down from 0.29:1 at the beginning of the year to 0.19:1 at the year end.
- Surplus funds generated out of the operations are appropriated for dividend on Preference shares and Equity shares, the rest balances are transferred as General reserves.
- EPS is at Rs. 10.82 as on 31.3.2005 as against Rs. 3.03 as on 31.3.2004.

**DIVIDEND**

Your Directors recommended payment of the accumulated 8%p.a. dividend on the Cumulative Redeemable Preference Shares. This dividend had been accumulated since April 1999.

Your Directors further recommended a dividend payment of Rs.1.20 per equity share of Rs. 10 each for the financial year 2004-05. This dividend is subject to approval by the share holders at the ensuing AGM.



## REVIEW OF OPERATIONS

### Redemption of Preference Shares

Your Directors recommended the redemption of 1,40,530 Cumulative Redeemable Preference Shares of Rs. 100/- each subject to the approval by the share holders at the ensuing AGM.

### Proposed change in name of the company

Our company is a biotech company, producing biologicals. It seems imperative for us to give a reflection of our activities in our company's name. The board has therefore recommended a change in name of the company from HESTER PHARMACEUTICALS LIMITED to HESTER BIOSCIENCES LIMITED, subject to approval by the share holders and subsequent approvals from other statutory authorities.

### Proposal to amend the Object clause of the Memorandum and Articles of Association

Hester has a focus on biologicals and continues to keep the same focus. In order to define our core activity more clearly, the company proposes to amend the Object clause in its Memorandum and Articles of Association, through Postal Ballot. The Company is accordingly arranging for compliance of Postal Ballot regulations.

### Proposed expansion in the financial year 2005-06

The demand for Hester's poultry vaccines has been over whelming. As you are aware, we have been growing at nearly 100% in the last 2 financial years. The future growth potential still remains the same. In order to cater to the growing demand for poultry vaccines, Hester has embarked on an expansion plan, to increase its capacity by 300%. This expansion shall go on-stream in the first quarter of the next financial year. This expansion will enable us to manufacture not only the current poultry vaccines which are in high demand, but will also enable us to add a few specialty poultry vaccines. We also intend to manufacture cattle vaccines in this new expanded facility.

### Impact on Hester on the lifting of the ban on the imports of a few live poultry vaccines

The Government of India lifted the ban on the import of live poultry vaccines against 4 diseases: Mareks, Infectious Bronchitis, Infectious Bursal and Salmonella. Hester expects a positive impact on its business due to this ban being lifted.

Meril, whom we represent in India, has the biggest market share in Marek's disease vaccines, with over 80% market share in USA. Poultry companies in India have used Meril's HVT+SB1 strains Marek's vaccine and are waiting to use this vaccine as soon as it is available. Hester expects to achieve a turnover of over Rs. 3 crores in this vaccine itself.

Indian produced Infectious Bronchitis and Infectious Bursal disease vaccines are very effective. Hester is one of the major Indian producers of these vaccines. Lifting of the ban would not have any impact on Hester's business.

Hester does not produce Salmonella vaccine at the moment. Neither the imposition of the ban, nor the lifting of the ban has any impact on Hester's business.

### Tsunami Relief

The company has made a contribution of Rs. 1 lac to the Chief Minister's Relief fund for Tsunami relief.

### Energy Conservation

(Information under section 217(1) (e) of the Companies Act, 1956.)

The company has a continuous focus on energy conservation. Regular studies are conducted to analyses quantitative energy conservation patterns, and variances are rigorously scrutinized. The company regularly benchmarks its energy conservation levels and consistently works towards improving efficiencies, towards getting the cost of energy down for every unit produced.

### Total energy consumption and energy consumption per unit of production:

#### (A) Power and Fuel Consumption :

		31-03-2005	31-03-2004
Electricity :			
(a) Purchased			
Units	Kwh	6,95,400.00	4,69,185.00
Total Amount	Rs.	33,48,427.28	23,32,198.00
Rate/ Unit	Rs.	4.81	5.12
(b) Own Generation through Diesel Genset			
Units	Kwh	22,114.00	13,200.00
Unit per liter of Diesel Oil	Kwh	2.42	2.26
Cost/Unit	Rs.	11.70	10.64

#### (B) Consumption per Unit of Production :

Electricity consumed per vial (in units)	0.78	1.03
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### Research & Development and Technology absorption

We continue to work towards increasing our production yields and reducing production cycles to achieve higher productivity.

### Foreign Exchange Earning & Outflow

Foreign exchange earning during the year was Rs.18.27 lacs (Previous year Rs.9.27 lacs) towards sale of goods. Total outflow of foreign exchange during year was Rs.126.08 lacs, towards purchase of Trading goods, Traveling expenses, as compared to Rs.21.72 lacs during the previous year.

## Annual Report 2004-2005

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### Directors

Due to demise of our Chairman Dr. V.A.Padval, the Board of Directors have appointed Dr. Bhupendra V. Gandhi, as a Chairman of the Company. Your Directors record their deep appreciation for the valuable contributions made by the past Chairman during his tenure.

Dr. Herry Shinkoi has resigned from the Board w.e.f. 21st April, 2005. Your Directors appreciated the valuable technical inputs given by him during his tenure.

Mr. Abhinav Shukla was appointed as Non - Executive Independent Director as on 21st April, 2005. On the same day Dr. Parimal Tripathi was appointed as an alternate Director for Mr. Ravin Gandhi and Ms. Bela Gandhi. Both the directors have a wide experience and professional skills to contribute to the Company. Mr. Abhinav Shukla is proposed by a member to be appointed as a Regular Director in this General Meeting.

In accordance with the provisions of the Articles of Association and of the Companies Act, 1956, Ms. Bela Gandhi and Mr. Vimal Ambani, Directors retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### Public Deposits

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

### Finance

The working capital requirement and capital expenditure were funded through internal accruals and by banks.

### Corporate Governance

The Company has adopted Corporate Governance practices and has complied with all the mandatory requirements as specified under clause 49 of the Listing Agreement by SEBI. As required under the listing agreement, a separate Report on Corporate Governance forms part of this Annual Report. The certificate from a Practicing Company Secretary of the Company regarding compliance of conditions of Corporate Governance is part of this report and is annexed.

The Board of Directors supports the basic principles of corporate governance. In addition to this, the board lays strong emphasis on transparency, accountability and integrity.

### Formation of various Committees

Details of various committees constituted by the Board of Directors are given in the Corporate Governance Report annexed and forms part of this report.

### Depositories

The company's shares are being compulsorily traded in dematerialised form. The connectivity with NSDL and CDSL has been obtained. Shareholders of the Company, who are still holding the shares in physical form, are requested to dematerialise their shares, immediately.

### Particulars of Employees

Particulars with regard to employees under section 217(2A) of the Companies Act, 1956, is not applicable.

### Delisting of Shares

The Company's shares were listed at BSE and at ASE. However, since long the shares were not traded on ASE. As decided and approved by the members in last AGM, the board has approached ASE for delisting of its shares and accordingly the shares were delisted from the ASE, w.e.f. 15/10/2004. The Company continues to list and trade at BSE.

### Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956 I would like to state the following:

In the preparation of the Annual Accounts, the applicable accounting standards have been followed.

The Directors have selected such accounting policies and 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 the financial year ended on 31st March, 2005.

The 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.

The Directors have prepared the attached statements of accounts for the year ended 31st March, 2005 on a going concern basis.

### Auditors & Auditors Report

M/s. Shah Narielwala & Co.; Chartered Accountants, retire at the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed.

Notes forming part of the accounts are self explanatory and therefore, do not require any further comments.

### Acknowledgement

The Directors express their appreciation to Bank of India, Employees at all levels and customers for their sustained support.

Last but not the least, the directors convey their gratitude to the esteemed shareholders whose dauntless support has been the main source of inspiration.

By order of the Board

21st April, 2005  
Ahmedabad

**Rajiv Gandhi**  
Managing Director

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## **Management Discussions and Analysis**

### **OUTLOOK FOR THE INDUSTRY**

The poultry Industry continues to consolidate. The organized sector is getting bigger. This transition in the industry from poultry farming to Integration has changed the economics of the poultry business.

Cost of production continues to drop. This drop in the costs can be attributed to economies of scale as well as adoption of newer scientific technologies. Exports of poultry products is increasing every year. The industry is poised for a good growth.

### **OUTLOOK FOR THE COMPANY**

For the current financial year, Hester foresees a minimum growth of 30% in sales. The year 2004-2005 was used for achieving high sales. This year, we desire to consolidate as we have a constraint in capacity. With the expanded capacity, we will go on-stream in the first quarter of the next financial year. This capacity increase is of 3 times.

### **INTERNAL CONTROL SYSTEMS**

The company has budgetary control systems and performance review programs. The organization structure is very compact, thereby enabling the company to have the highest sale: employee ratio amongst other poultry vaccine manufacturers in India.

### **FINANCIAL PERFORMANCE VS OPERATIONAL PERFORMANCE**

The financial performance of the company for the year 2004-05 is described in the Director's report.

### **HUMAN RESOURCES**

Work Culture programs are regularly embarked upon. The company has continued to give special attention to human resources development.

Industrial relations continued to remain cordial at all levels.

## REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) ushered in a formal code of corporate governance practices by introducing the new Clause 49 in the listing agreement with the Stock Exchanges. Clause 49 lays down several corporate governance practices that listed companies are required to adopt. Most of the practices laid down in Clause 49 require mandatory compliance and there are some more provisions which are voluntary for adoption. Your Company has achieved all the compliance with the mandatory requirements of Clause 49 of the listing agreement. This report sets out the compliance status of the Company during the financial year **2004-05** with respect to the conditions of corporate governance set out in Clause 49.

### Philosophy On Code Of Corporate Governance :

The Philosophy on Corporate Governance aims at attainment of the highest levels of transparency, accountability and equity in the functioning of the Company vis-a-vis interactions with employees, shareholders, creditors and customers. The objective of the Company is not only to meet the statutory requirements of the code but also go well beyond it by instituting such systems and procedures as are in accordance with the latest global trend of making management completely transparent and institutionally sound.

### Board of Directors :

The Company's board comprises of 9 Directors (including alternate Director) with a mix of executive/non-executive and promoter/independent directors. The composition of Board complies with the requirements of the Corporate Governance code with more than 50% of the directors being non-executive directors and more than 33% of the directors being independent directors.

5 Board meetings were held during the financial year **2004-2005**. The dates on which Board Meetings held are **28th June, 2004, 30th July, 2004, 27th October, 2004, 20th January, 2005, and 2nd March, 2005**. The **17th** Annual General Meeting was held on **26th August, 2004**.

The table below provides the composition of the Board, their attendance at Board meetings & AGM and number of other directorship, chairmanship/membership of other companies.

Name of the Director	Category	No. of other Directorship held in public companies in India	No. of other Board committees of which Member /Chairman	Board meeting attended	Attendance at the last AGM
*Mr. V A Padval Ex-Chairman	Non Executive Independent Director	0	0	0	No
Mr. Bhupendra V Gandhi Chairman	Non Executive Non Independent Director	0	0	0	No
#Mr. Rajiv D Gandhi CEO & Managing Director	Executive Non Independent Director	2	0	4	Yes
Mr. Sanjiv D Gandhi Director	Non Executive Non Independent Director	2	2(M)	0	No
Mr. Darayus Lakdawalla Director	Non Executive Independent Director	2	3(C)	4	Yes
Mr. Ravin Gandhi Director	Non Executive Independent Director	0	0	0	No
Ms. Bela Gandhi Director	Non Executive Independent Director	0	0	0	No
\$Dr. Herry Shinkoi Director	Non Executive Independent Director	0	0	0	No
Mr. Vimal Ambani Director	Non Executive Independent Director	2	2	3	No
@Mr. Abhinav Shukla Director	Non Executive Independent Director	1	0	5	No
Dr. Parimal Tripathi Alternate Director	Non Executive Independent Director	0	2	3	No

\* Ceased to be Director due to demise as on 31st March, 2005

# Appointed as CEO w.e.f. 2nd March, 2005.

\$ Ceased to be Director w.e.f. 21st April, 2005

@ Appointed as non executive independent director w.e.f. 21st April, 2005

### Notes

- This number excludes the directorships/committee memberships held in private companies and also of the Company.
- As required by the Companies Act, 1956 and Clause 49 of Listing Agreement, none of the directors hold directorship in more than 15 public companies, membership of board committees (audit /remuneration/investors grievance committees) in excess of 10 and chairmanship of board committees as aforesaid in excess of 5.

None of the Non-executive Directors has any pecuniary relationship, except Dr. Bhupendra V. Gandhi, Mr. Ravin Gandhi and Ms. Bela Gandhi who are relative of Managing Director of the Company. Non-executive Directors have no transaction with the company, except receiving sitting fees for attending Board Meetings. The details of sitting fees, commission and remuneration paid to each director appear later under the disclosure relating to Remuneration to Directors.

#### GENERAL PROFILE OF BOARD OF DIRECTORS :

#### DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING

Name of Director	Ms. Bela Gandhi	Mr. Vimal Ambani	Mr. Abhinav Shukla
Date of Birth	10.03.1971	26.10.1961	06.10.1945
Date of appointment	22.04.1999	01.02.2003	21.03.2003
Qualifications	-	B.E., MBA	B.E., MBA
Expertise in specific functional areas	-	General Management	Management
List of Public Ltd. Co. in which Directorship held	-	Tirupati Fabrics Ltd. Tower Overseas Ltd.	-
Chairman/ Member of the Committees of the Board of Directors of the Co. -	-	-	-
Chairman/ Member of the committees of Directors of other Co. -	-	-	-

#### REMUNERATION TO DIRECTORS :

Name of Director	Designation	Remuneration (including perquisites) paid Rs.	Sitting Fees paid Rs.	Commission paid Rs.	Total Remuneration Rs.
* Dr. V A Padval	Ex Chairman	Nil	Nil	Nil	Nil
Dr. Bhupendra Gandhi	Chairman	Nil	Nil	Nil	Nil
# Mr. Rajiv D Gandhi	CEO & Managing Director	9,75,000/-	Nil	Nil	9,75,000/-
Mr. Sanjiv D Gandhi	Director	Nil	Nil	Nil	Nil
Mr. Darayus Lakdawalla	Director	Nil	Nil	Nil	Nil
Mr. Ravin Gandhi	Director	Nil	Nil	Nil	Nil
Ms. Bela Gandhi	Director	Nil	Nil	Nil	Nil
\$ Dr. Herry Shinkoi	Director	Nil	Nil	Nil	Nil
Mr. Vimal Ambani	Director	Nil	1500/-	Nil	1500/-
@ Mr. Abhinav Shukla	Director	Nil	2000/-	Nil	2000/-
Dr Parimal Tripathi	Director	Nil	1000/-	Nil	1000/-
<b>Total</b>		9,75,000/-	4,500/-	Nil	9,79,500/-

\* Ceased to be Director due to demise as on 31st March, 2005

# Appointed as CEO w.e.f. 2nd March, 2005.

\$ Ceased to be Director w.e.f. 21st April, 2005

@ Appointed as non executive independent director w.e.f. 21st April, 2005

#### AUDIT COMMITTEE :

The Audit Committee comprises of Mr. Darayus Lakdawalla, as the Chairman of the Committee & Mr. Vimal Ambani, Dr. Parimal Tripathi and Mr. Sanjiv Gandhi as Members.

The above composition meets all the requirements of Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956. The Manager (Finance) acts as the Secretary of the Audit Committee.

The board terms of reference of the Committee is to review and recommend the financial statements, adequacy of internal control systems and internal audit function.

The detailed terms of reference of the Committee as approved by the Board are given below.

1. Review of internal controls and internal audit function with the management/internal auditors.
2. Oversight of the Company's financial reporting process/disclosures and review of interim and annual financial statements before Board approval.
3. Recommendation of appointment/removal of statutory auditors and fixation of the fees for their audit and other services.
4. Periodic discussions with the statutory auditors of the Company (whether before, during or after the audit) on internal control systems, nature and scope of audit, audit observations and areas of concern, if any.
5. Investigate any matter referred to it by the Board or within its terms of reference.

## Annual Report 2004-2005

6. Review the outcome of internal investigations of material fraud, irregularity and failure of internal control system.
7. Review financial and risk management policies.
8. To look into reasons for substantial defaults, if any, in payments to depositors, debenture holders, creditors and shareholders.

In addition to the above, the Committee shall have such functions/role/powers as may be specified in the Companies Act, Listing Agreement with stock exchanges or any other applicable law.

During the year under review, 3 meeting were held on 28th June, 2004, 27th October, 2004 and 20th January, 2005. Mr. Darayus Lakdawalla has attended all 3 Meetings, Mr. Vimal Ambani has attended 2 Meetings as of 28th June, 2004 and 20th January, 2005. Dr. Parimal Tripathi has attended 1 Meeting as of 27th October, 2004. Mr. Sanjiv Gandhi has not attended any Meeting.

### SHAREHOLDERS' GRIEVANCE COMMITTEE :

The Shareholders Grievance Committee as a sub-committee of the Board has been constituted mainly to focus on servicing of shareholder requirements. The committee comprises of Mr. Darayus Lakdawalla as the Chairman of the Committee and Mr Sanjiv Gandhi as Member. During the year under review, no meeting was held, as the Company has not received any important grievances.

Mr. Jigar Shah, CFO & Manager (Finance), provides secretarial support to the Committee and is also the designated Compliance Officer for such matters.

The equity shares of the Company are compulsorily traded in electronic form on the stock exchanges and hence the handling of physical transfer of shares is minimal.

There was no pending transfers of equity shares as at **31st March, 2005**.

The following table summarizes the status of investor complaints received during the year. These were attended within a reasonable period of time

Sr. No.	Nature of Complaints / Requests	Received	Resolved	Pending as on 31-03-2004
1.	Non-receipt of Dividend warrant	-	-	-
2.	Non-receipt of Annual Reports	4	4	-
3.	Non-receipt of shares after transfer / bonus shares	1	1	-
4.	Letters received from SEBI / ROC / Stock Exchanges	1	1	-
5.	Others	-	-	-
<b>Total</b>		<b>6</b>	<b>6</b>	<b>-</b>

### REMUNERATION COMMITTEE :

The Remuneration Committee as a sub-committee of the Board has been constituted mainly to determine and recommend to Board, the company's policies on remuneration packages for executive and non- executive directors. The committee comprises of Mr. Darayus Lakdawalla as the Chairman of the Committee and Mr Vimal Ambani and Dr. Parimal Tripathi as Members.

During the year under review, the committee met once on 27th October, 2004. All 3 Committee members were are present in the said Meeting. In that meeting, revised remuneration of Managing Director w.e.f. 1st October, 2004 was determined.

The Company pays remuneration to its Managing Director by way of Salary, perquisites and allowances, as approved by the members in general meeting. The details of remuneration paid to directors are provided elsewhere in this report under the head Remuneration to Directors.

### GENERAL BODY MEETINGS :

Details of the last three Annual General Meetings are as under :

AGM	Date	Time	Venue	No. of special Resolutions passed
15th AGM	28th August, 2002	11.00 a.m.	Village: Merda Adraj Taluka : Kadi Dist : Mehsana Gujarat 382 721	Nil
16th AGM	30th Sept., 2003	11.00 a.m	Village: Merda Adraj Taluka : Kadi Dist : Mehsana Gujarat 382 721	Nil
17th AGM	26th August, 2004	11.00 a.m.	Village: Merda Adraj Taluka : Kadi Dist : Mehsana Gujarat 382 721	1 (One)

There were no Extra Ordinary General Meetings (EGMs) held during the last 3 years.

The special resolutions indicated above were passed by show of hands. The Company has not passed any resolution through postal ballot during the year under reference.

### DISCLOSURES :

Transactions with related parties are disclosed in detail in note number 9 in Schedule 15 'Notes forming part of the accounts' annexed to the financial statements for the year. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company at large.

There were no instances of non-compliance and no strictures or penalties imposed on the Company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.

### MEANS OF COMMUNICATION :

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchanges immediately after the conclusion of the Board meetings and were also published in two leading newspapers, Business Standard (English), News Line (English) and Chanakya (Gujarati).

**SHAREHOLDERS' INFORMATION :**

Registered Office : Village: Merda Adraj, Taluka : Kadi, Dist : Mehsana, Gujarat 382 721

Corporate Office : 16/10, Devendra Society, Naranpura, AHMEDABAD 380 013.  
Phone : 079 - 27680476, Fax : 079 - 27682250,  
E-mail : info@hesterpharma.co.in, Website : http://www.hesterpharma.co.in

Branches : Hester Pharmaceuticals limited  
Old No.7 New No.17/1, 1St Floor, Osborne Road, I Cross, Bangalore 560 042  
Sathya Priya Complex, 28-A/2, Avinashi Road, Civil Aerodrome Post, Coimbatore 641 014  
193, Paramathy Road, Opp. Hotel Priya Tower, Namakkal-637 002.  
SCO 847, Cabin No. 10, NAC Shivalik Enclave, Manimajra U. T., Chandigarh-160 101.

**Date, Time, Venue of Annual General Meeting**

The **18th Annual General Meeting** of the members of the company is scheduled to be held on Wednesday, the 15th June, 2005 at 11.00 a.m at its Registered Office of the company at Village : Merda Adraj, Taluka: Kadi, District : Mehsana, Gujarat 382 721. All the members are invited to attend the meeting.

The Members / Proxies who intend to attend the meeting are requested to bring the Attendance slip sent herewith duly filed in to the meeting.

**Financial calendar**

Financial year 2004-05 ( April 1, 2004 to March 31, 2005)

Results were announced on	- 30th July 2004	- first quarter (Unaudited)
	- 27th October 2004	- half year (Unaudited)
	- 20th January 2005	- third quarter (Unaudited)
	- 21st April 2005	- fourth quarter and annual (audited)

Financial year 2005-06 ( April 1, 2005 to March 31, 2006)

Results will be announced on	- Last week of July 2005	- first quarter
	- Last week of October 2005	- half year
	- Last week of January 2006	- third quarter
	- Third week of June 2006	- fourth quarter and annual (audited)

Book closure dates : 8th June, 2005 to 15th June, 2005 (both days inclusive)

Annual General Meeting : 15th June, 2005 at 11.00 a.m.

Details of Shares Types of shares : Equity Shares

No. of paid up shares : 35,27,200

Market lot of shares : 1 share

Stock code	: Name of Stock Exchange	Code no.
	Mumbai Stock Exchange	524669

Listing : The Company's shares are listed and traded on the Stock Exchanges at Mumbai. The Company has paid listing fees to Mumbai Stock Exchange for financial year 2005-2006.

During the year the Company shares were delisted w.e.f. 15th October, 2004, after complying necessary formalities under the "Delisting of Securities Guidelines - 2003" of SEBI.

Stock Data Monthly share price data on BSE for the financial year 2004-05 is as under.

Month	High Rs.	Low Rs.	Average Rs.	Volumes
April '04	12.05	8.04	10.04	21544
May '04	13.35	8.90	11.12	19494
June '04	11.84	8.20	10.02	29313
July '04	14.20	8.58	11.39	53684
August '04	21.33	11.55	16.44	187209
September '04	27.90	18.10	23.00	364779
October '04	51.85	23.25	37.55	756026
November '04	74.35	46.50	60.42	814377
December '04	70.25	59.00	64.62	361248
January '05	65.00	48.00	56.50	148034
February '05	93.25	60.55	76.90	426740
March '05	83.90	60.90	72.40	204731

## Annual Report 2004-2005

### SHARES HELD IN PHYSICAL AND DEMATERIALISED FORM :

The Company's shares are compulsorily traded in dematerialized mode. **As on 31st March 2005, 29.40%** shares were held in dematerialized form and **balance 70.60%** shares were held in physical form. Those shareholders whose shares are held in physical form are requested to dematerialized the same at the earliest in their own interest. The demat security code (ISIN) for the equity shares is **INE782E01017**

### CATEGORY WISE DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2005

Description	No. of members		No. of shares	
	Nos.	Percentage	Nos.	Percentage
Resident Individual (incl. HUF)	5446	96.65	1497875	42.47
Non Resident Individual	21	0.37	605628	17.17
Mutual Fund, Nationalized Bank etc.	3	0.05	10000	0.28
Promoters' Companies	5	0.09	181300	5.14
Domestic Companies	119	2.11	240503	6.82
Directors & Relatives	25	0.44	984750	27.92
Any other (C. M. Pool A/c.)	16	0.28	7144	0.20
<b>Total:</b>	<b>5635</b>	<b>100.00</b>	<b>3527200</b>	<b>100.00</b>

### DETAILS OF DIVIDEND

the Board of Directors has recommended Dividend @ Rs. 1.20 per share for financial year 2004-2005. The payment of Dividend as recommended by the Directors if approved at the Meeting, will be made:

- to those members whose names are on the Register of Members on 15th June, 2005 or to their mandates.
- in respect of shares held in electronic form, to those "deemed members" whose names appears of the statement of beneficiary ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd.(CDSL) at the end of business hours on **7th June, 2005**.

### DETAILS OF UNPAID DIVIDEND

As the Company has not paid any dividend in last Seven years and so there is no unpaid/ unclaimed dividend amount.

### OUTSTANDING GDRS/ADRS/WARRANTS/ANY OTHER CONVERTIBLE INSTRUMENTS

The Company does not have any outstanding instruments of the captioned type.

### NOMINATION FACILITY

It is in the interest of the shareholders to appoint nominee for their investments in the Company. Those members who are holding shares in physical mode and has not appointed nominee or want to change the nomination, are requested to send us nomination form duly filed in and signed by all the joint holders.

### APPOINTMENT OF REGISTRAR & TRANSFER AGENT

In terms of SEBI circular D&CC/FITTC/CIR-15/2002 dated December 27, 2002, the company has appointed M/s. Pinnacle Shares Registry Pvt. Ltd. of Ahmedabad (details as mentioned below) as our Share Transfer Agent (R&T Agent) effective from April 1, 2003 for physical as well as dematerialized shares.

### CHANGE IN SHAREHOLDERS DETAILS

In case you are holding your shares in dematerialised form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialisation of your share certificates or other inquiries should be addressed to your DP where you have opened your Demat Account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be addressed to our R&T agent of the company M/s. Pinnacle Shares Registry Pvt. Ltd., as per address mentioned below.

### INVESTORS COMMUNICATION

Share Transfers / Dematerialisation or other queries relating to Shares of the Company should be addressed to :

M/s. Pinnacle Shares Registry Pvt. Ltd.

Unit : Hester Pharmaceuticals Limited

Near Asoka Mills, Naroda Road, Ahmedabad 380 025

Ph. 079 - 2220 4226 /2220 0582, Fax : 079 - 2220 2963, e-mail : gautam.shah@psrpl.com



**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

Registration No. : 04-22333

Nominal Capital : Rs.6,50,00,000/-

To,

The Members of

**HESTER PHARMACEUTICALS LIMITED**

In accordance with Clause 49 of the Listing Agreement entered into by **Hester Pharmaceuticals Limited** with the Stock Exchange, I have examined all the relevant records of the Company relating to its compliance of conditions of Corporate Governance as stipulated in Clause 49, for the financial year ended on March 31, 2005.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the re-presentations made by the Directors and the Management, I certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in abovementioned listing agreement.

Further, on the basis of records produced and explanations given to me by the Company for the purpose of this certification and to the best of my information, I certify that the company has started/ adopted following non-mandatory requirements of the said Clause 49 of the Listing Agreement :

1. The Company has adopted code of conduct for all the Board members and senior management of the Company.
2. The Company has appointed Chief Executive Officer (CEO) and Chief Financial Officer (CFO).

As per the records maintained by the Company and information given to me, I have to state that there were no investor grievance remaining unattended/ pending for more than 30 days.

I further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature :

Name of Company Secretary : **Tapan Shah**

Membership No. : FCS4476

C. P. Number : 2839

Place : Ahmedabad

Date : 21st April, 2005

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) OF THE CORPORATION**

We, Rajiv Gandhi, Chief Executive Officer & Managing Director and Jigar Shah, Chief Financial Officer & Manager Finance of Hester Pharmaceuticals Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account, and all its scheduled and notes on accounts, as well as the cash flow statements and the director's report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, result for operations and cash flow of the registrant as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. The company's other certifying officers and we are responsible for establishing and maintaining disclosure controls and procedures for the company and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the company, including its consolidated subsidiary, is made known to us by others within that entity, particularly during the period in which this report is being prepared; and
  - b) evaluated the effectiveness of the company's disclosure controls and procedures.
5. The company's other certifying officers and we have disclosed, based on our most recent evaluation, to the company's auditors and the audit committee of the company's board of directors (and persons performing the equivalent functions):
  - a) all significant deficiencies in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors, any material weakness in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls; and
  - c) the company's other certifying officers and we have indicated in this report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.
6. In the event of any materially significant misstatements or omissions, the signing officers will return to the company, that part of any bonus or incentive or equity based compensation. Which was inflated on account of such errors, as decided by the audit committee.

Ahmedabad  
21st April, 2005

**Rajiv Gandhi**  
Chief Executive officer &  
Managing Director

**Jigar Shah**  
Chief Financial Officer &  
Manager - Finance

**AUDITORS' REPORT**

To,  
The Members,  
**HESTER PHARMACEUTICALS LIMITED**

We have audited the attached Balance Sheet of **Hester Pharmaceuticals Ltd.** as at **31st March, 2005** and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that :

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report have been prepared, in all material respects, in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
- v. On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2005 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts gives the information required by the Companies Act, 1956, in the manner so required and given a true and fair view in conformity with the accounting principles generally accepted in India;
  - a. in the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2005 :
  - b. in the case of the Profit and Loss Account, of the profit for the year ended on that date and
  - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**for Shah Narielwala & Co**  
*Chartered Accountants*

**D.R. Shah**  
*Partner*

Member ship No: 36805

Place : Ahmedabad  
Date : 21.04.2005

**ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH-3 OF OUR REPORT OF EVEN DATE**

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government under section 227(4A) of the Companies Act, 1956 and in terms of the information and explanations given to us and also on the basis of such checks as we considered appropriate, we further report that:

- (1) (i) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (ii) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (iii) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- (2) (i) The inventory has been physically verified during the year by management. In our opinion, the frequency of verification is reasonable.
  - (ii) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (iii) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

- (3) (i) The Company has taken and granted loans from/ to Companies (1 Company each) and other parties (two for loan granted) listed in the register maintained under Section 301 of the Companies Act, 1956, of which loan taken outstanding at the year end was Rs.5,462/- while loan granted, outstanding at the year end was Rs.928,873/-. Maximum amounts outstanding during the year of loans taken was Rs.82,375/- while that of loans granted was Rs. 1,238,961/- .
- (ii) In our opinion and according to the information and explanations given to us, the rates of interest and other terms and conditions on which loans have been granted / taken to /from companies listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (iii) The loans granted/taken by the Company are at call and no stipulations have been made regarding payment of interest.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. We have not noted any continuing failure to correct major weakness in the internal controls during the course of audit.
- (5) (i) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (ii) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contacts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (6) The Company has not accepted any deposits from the public.
- (7) The Company does not have a formal internal audit system. In our opinion its internal control procedures involves reasonable internal checks commensurate with its size and nature of its business.
- (8) We have broadly reviewed the books of accounts, relating to materials and other items of cost maintained by the company in respect of product where pursuant to the rules made by the Central Government, the maintenance of Cost Records has been prescribed under section 209(1)(d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been maintained and are being made up. The same have been examined and audited by an independent cost accountant.
- (9) (i) According to the records of the company, the company is not generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, cess and other statutory dues applicable to it.
- (ii) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, customs duty and excise duty were outstanding, as at 31st March, 2005 for a period of more than six months from the date they became payable except Prof. Tax of Rs.1,050/-.
- (10) The accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (11) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (12) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (13) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- (14) The company is not dealing or trading in shares, securities, debentures and other investments.
- (15) The Company has not given any guarantee for loans taken by others from bank or financial institution.
- (16) As informed to us, the term loans have been applied for the purpose for which they were raised.
- (17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except core (permanent) working capital.
- (18) Based on our examination of records and the information provided to us by management we report that the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (19) During the period covered by our audit report, the company has not issued any debentures.
- (20) During the year, the Company has not raised money by Public issue and hence the question of disclosure and verification of end use of such monies does not arise.
- (21) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**for Shah Narielwala & Co**  
*Chartered Accountants*

**D.R. Shah**  
*Partner*

Place : Ahmedabad  
Date : 21.04.2005

Member ship No: 36805

# Annual Report 2004-2005

## BALANCE SHEET AS AT 31ST MARCH, 2005

Particulars	Schedule	Current Year		Previous Year	
		Rs.	Rs.	Rs.	Rs.
<b>A. SOURCES OF FUNDS</b>					
<b>1 SHAREHOLDERS' FUNDS</b>					
a) Share Capital	1	4,93,25,000		4,93,25,000	
b) Reserve & Surplus	2	3,60,85,980		89,98,325	
			8,54,10,980		5,83,23,325
<b>2 LOAN FUNDS</b>					
a) Secured Loans	3	1,61,08,684		1,59,75,608	
b) Unsecured Loans	4	5,462	1,61,14,146	10,40,346	1,70,15,953
TOTAL			10,15,25,126		7,53,39,278
<b>B. APPLICATION OF FUNDS</b>					
1 Fixed Assets	5				
a) Gross Block		6,57,72,752		5,78,30,742	
b) Less: Depreciation		2,01,87,074		1,72,25,883	
c) Net Block			4,55,85,678		4,06,04,859
2 Current Assets, Loans & Advances	6	12,17,58,679		5,31,33,926	
Less:-					
Current Liabilities & Provisions.	7	5,68,50,511		1,38,87,948	
Net Current Assets			6,49,08,168		3,92,45,978
4 Deferred Tax					
Assets		—		33,94,723	
Liabilities		(89,68,720)	(89,68,720)	(84,22,899)	(50,28,176)
5 Miscellaneous expenditure (to the extent not written off/adjusted)					
a. Preliminary Expenses			—		27,906
b. Public Issue Expenses			—		4,88,711
TOTAL			10,15,25,126		7,53,39,278
Notes on Accounts	15				

As per our Report of even date attached

for **Shah Narielwala & Co**  
Chartered Accountants

**D. R. Shah**  
Partner

Ahmedabad, 21st April, 2005

for and on behalf of the Board

**Rajiv D. Gandhi** Managing Director

**Sanjiv D. Gandhi** Director

**Darayus N. Lakdawalla** Director

Ahmedabad, 21st April, 2005

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2005**

Particulars	Schedule	Current Year		Previous Year	
		Rs.	Rs.	Rs.	Rs.
<b>A. INCOME</b>					
Sales (Net)			16,23,91,485		7,68,13,697
Other Income	8		3,96,825		35,917
Change in Inventories	9		92,92,523		(38,16,295)
<b>TOTAL</b>			<b>17,20,80,832</b>		<b>7,30,33,320</b>
<b>B. EXPENDITURE</b>					
Trading Purchases			52,02,604		17,13,588
Rawmaterial Consumed	10		4,32,95,712		1,32,23,659
Manufacturing Expenses	11		1,82,74,930		84,71,391
Personnel Cost	12		1,38,63,442		90,38,225
Selling, General & Adm. Expenses	13		2,23,50,365		1,57,65,046
<b>TOTAL</b>			<b>10,29,87,052</b>		<b>4,82,11,910</b>
<b>OPERATING PROFIT</b>			<b>6,90,93,780</b>		<b>2,48,21,410</b>
Interest & Finance Charges	14		24,38,694		26,33,143
<b>PROFIT BEFORE DEP. AND TAX</b>			<b>6,66,55,086</b>		<b>2,21,88,266</b>
Depreciation			31,98,262		26,94,992
Less : Prior Period Expenses			—		87,300
<b>PROFIT BEFORE TAX</b>			<b>6,34,56,824</b>		<b>1,94,05,974</b>
Less : Provision For Taxation					
Current Tax		2,00,00,000		16,20,000	
Deferred Tax		39,40,544		71,03,943	
Income Tax of earlier years		90,000		259	
			<b>2,40,30,544</b>		<b>87,24,202</b>
<b>PROFIT AFTER TAX</b>			<b>3,94,26,280</b>		<b>1,06,81,772</b>
<b>BALANCE BROUGHT FORWARD</b>			<b>4,65,907</b>		<b>(82,15,866)</b>
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>			<b>3,98,92,187</b>		<b>2,465,907</b>
Less :					
Transferred to Capital Redemption Reserve			—		20,00,000
Proposed Dividend (Pref. Shares)			11,24,240		—
Proposed Dividend (Equity Shares)			42,32,640		—
Dividend Tax			7,00,077		—
Transferred to General Reserve			2,97,49,250		—
<b>BALANCE CARRIED TO BALANCE SHEET</b>			<b>40,85,980</b>		<b>4,65,907</b>
Earning per Share (Basic/Diluted)			<b>10.82</b>		<b>2.71</b>
Notes on Accounts	15				

As per our Report of even date attached

for **Shah Narielwala & Co**  
Chartered Accountants

**D. R. Shah**  
Partner

Ahmedabad, 21st April, 2005

for and on behalf of the Board

**Rajiv D. Gandhi** Managing Director

**Sanjiv D. Gandhi** Director

**Darayus N. Lakdawalla** Director

Ahmedabad, 21st April, 2005

## Annual Report 2004-2005

### SCHEDULES 1 TO 15 FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2005

Particulars	31.03. 2005		31.03 2004	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE - 1 : SHARE CAPITAL</b>				
Authorised Share Capital				
2,50,000 Preference Share of Rs.100/- each (Prev. Yr.2,50,000shares)		2,50,00,000		2,50,00,000
40,00,000 Equity Shares of Rs.10/- each (Prev. Yr.40,00,000 shares)		4,00,00,000		4,00,00,000
		<u>6,50,00,000</u>		<u>6,50,00,000</u>
Issued, Subscribed and Paid up Capital				
35,27,200 Equity Shares of Rs.10/- each fully Paid-up (Prev. Yr. 35,27,200 Shares)		3,52,72,000		3,52,72,000
Preference Share Capital 1,40,530, 8% Pre.Shares of Rs.100/- each. (Prev.Yr.140530 Shares)		1,40,53,000		1,40,53,000
TOTAL		<u>4,93,25,000</u>		<u>4,93,25,000</u>
<b>SCHEDULE - 2 : RESERVES &amp; SURPLUS</b>				
General Reserve- Opening Balance	65,32,418		65,32,418	
Add:Transferred during the year	2,97,49,250		—	
Less:Adj. for the arrears of Pref. Divi.	(62,81,668)		—	
Add:Deferred Tax Assets as at Start of the Year	—		—	
	<u>3,00,00,000</u>			65,32,418
Capital Redemption Reserve - Op. Bal	20,00,000		—	
Add : Transferred during the year	—	20,00,000	20,00,000	20,00,000
Profit and Loss account		40,85,980		4,65,907
TOTAL		<u>3,60,85,980</u>		<u>89,98,325</u>
<b>SCHEDULE - 3 : SECURED LOANS</b>				
<b>BANK OF INDIA</b>				
Term Loan (Secured by Hypo. of Specific Assets)		8,678		5,72,784
Cash credit- Secured by Hypo. of Stock , book debt and other current assets		1,09,71,911		1,08,76,031
Temporary Loan (Secured by Fixed Deposits of Directors)		2,60,390		22,30,000
(Above loans are further secured by first charge on Company's factory land, building, Plant & Machineries)				
HP Loan from ICICI Finance Ltd. (secured by hypo. of Motor Cars)		48,67,705		22,96,793
TOTAL		<u>1,61,08,684</u>		<u>1,59,75,608</u>
<b>SCHEDULE - 4 : UNSECURED LOANS</b>				
From Directors		—		50,000
Intercompany deposits		5,462		9,90,346
TOTAL		<u>5,462</u>		<u>10,40,346</u>

**SCHEDULE - 5 : FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Balance as on 01.04.2004	Addition during the year	Deduction during the year	Balance as on 31.03.2005	Provided Upto 31.03.2004	Provided during the year	Adjustment during the year	Balance as on 31.03.2005	As on 31.03.2005	As on 31.03.2004
<b>ASSETS</b>										
Land & Site Development	1,660,844	0	0	<b>1,660,844</b>	0	0	0	<b>0</b>	<b>1,660,844</b>	1,660,844
Factory Building	12,094,768	0	0	<b>12,094,768</b>	2,958,733	403,965	0	<b>3,362,698</b>	<b>8,732,070</b>	9,136,035
Plant & Machineries										
- Imported	4,552,524	0	0	<b>4,552,524</b>	1,240,996	216,245	0	<b>1,457,241</b>	<b>3,095,283</b>	3,311,528
- Indigenous	25,304,271	3,681,549	0	<b>28,985,821</b>	8,258,658	1,316,906	0	<b>9,575,564</b>	<b>19,410,257</b>	17,045,613
Electrical Installation	2,944,296	0	0	<b>2,944,296</b>	1,016,492	139,854	0	<b>1,156,346</b>	<b>1,787,950</b>	1,927,804
Utilities	3,365,753	0	0	<b>3,365,753</b>	1,171,219	159,873	0	<b>1,331,092</b>	<b>2,034,661</b>	2,194,534
Furniture & Fixtures	657,392	227,955	0	<b>885,347</b>	333,238	50,407	0	<b>383,645</b>	<b>501,702</b>	324,154
Office Equipments	546,642	139,696	0	<b>686,338</b>	228,674	29,134	0	<b>257,808</b>	<b>428,530</b>	317,968
Vehicles	5,632,539	4,406,722	632,585	<b>9,406,676</b>	1,282,028	726,480	237,070.31	<b>1,771,438</b>	<b>7,635,238</b>	4,350,511
Computers	845,160	114,641	0	<b>959,801</b>	592,225	143,969	0	<b>736,194</b>	<b>223,607</b>	252,935
Dead Stock	81,970	0	0	<b>81,970</b>	68,986	5,189	0	<b>74,175</b>	<b>7,795</b>	12,984
Storage Equipment	86,902	4,032	0	<b>90,934</b>	43,525	4,177	0	<b>47,702</b>	<b>43,232</b>	43,377
Scooters	25,083	0	0	<b>25,083</b>	24,258	0	0	<b>24,258</b>	<b>825</b>	825
Dead Stock Canteen	32,598	0	0	<b>32,598</b>	6,850	2,063	0	<b>8,913</b>	<b>23,685</b>	25,748
<b>Total</b>	<b>57,830,742</b>	<b>8,574,595</b>	<b>632,585</b>	<b>65,772,752</b>	<b>17,225,883</b>	<b>3,198,262</b>	<b>237,070.31</b>	<b>20,187,074</b>	<b>45,585,678</b>	<b>40,604,859</b>
Previous Year's Figures	54,353,084	3,477,658	0	<b>57,830,742</b>	14,530,890	2,694,992	0	<b>17,225,883</b>	<b>40,604,859</b>	39,822,194

Particulars	31.03. 2005 Rs.	31.03 2004 Rs.
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**SCHEDULE - 6 : CURRENT ASSETS, LOANS & ADVANCES**
**a) INVENTORIES**

- Raw materials (At cost)	<b>24,70,695</b>	4,30,194
- Work-in-process (At cost)	<b>1,15,96,620</b>	43,38,292
- Packing Materials (At cost)	<b>7,88,310</b>	3,23,016
- Trading Stock (At cost or Market value whichever is less)	<b>17,77,641</b>	5,19,131
- Finished Goods (At Cost or Market value whichever is less) (as taken valued & certified by the management)	<b>35,74,893</b>	27,99,208
- Stock of Diesel	<b>17,886</b>	—
<b>TOTAL</b>	<b>2,02,26,045</b>	<b>84,09,841</b>

**b) SUNDRY DEBTORS**

(Unsecured, Considered Good)		
- Outstanding for more than six months	<b>3,46,56,654</b>	1,23,34,988
- Others	<b>4,15,21,866</b>	2,75,21,601
- Considered Doubtful	<b>5,52,365</b>	—
<b>TOTAL</b>	<b>7,67,30,885</b>	<b>3,98,56,589</b>

**c) CASH & BANK BALANCE**

Cash on hand	<b>8,33,627</b>	44,763
Balance with Scheduled bank		
- Current Account	<b>16,77,238</b>	4,03,214
- Fixed Deposits	<b>72,72,600</b>	—
	<b>97,83,465</b>	<b>4,47,977</b>

**d) LOANS, ADVANCES & DEPOSITS**

(Unsecured, Considered Good)		
1 Advances recoverable in cash or kind or for value received	<b>26,26,182</b>	17,79,499
2 Deposits	<b>12,23,247</b>	14,87,655
3 Loan to others	<b>11,44,798</b>	11,44,798
4 Advance Payment of Income Tax	<b>1,00,24,056</b>	7,566
	<b>1,50,18,283</b>	<b>44,19,518</b>
<b>GRAND TOTAL (a+b+c+d)</b>	<b>12,17,58,679</b>	<b>5,31,33,926</b>

## Annual Report 2004-2005

Particulars	31.03. 2005 Rs.	31.03 2004 Rs.
<b>SCHEDULE - 7 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>a) CURRENT LIABILITIES</b>		
Creditors for Goods	1,19,09,612	51,76,775
Creditors for Expenses	22,96,531	15,70,479
Other Liabilities	33,97,670	38,19,011
Creditors for Capital Exp.	5,49,278	7,34,666
Advances from Customers	63,58,795	3,67,017
	<u>2,45,11,886</u>	<u>1,16,67,948</u>
<b>b) PROVISIONS</b>		
Provision for Taxation	2,00,00,000	22,20,000
Provision for Taxation (Dividend Tax)	14,26,127	—
Proposed Dividend (Pref. Share)	66,79,858	—
Proposed Dividend (Equi. Share)	42,32,640	—
TOTAL (A+B)	<u>5,68,50,511</u>	<u>1,38,87,948</u>
<b>SCHEDULE - 8 : OTHER INCOME</b>		
Interest on Bank deposits	1,15,369	1,706
Miscellaneous Income	2,81,456	34,211
	<u>3,96,825</u>	<u>35,917</u>
<b>SCHEDULE - 9 : CHANGE IN INVENTORY</b>		
Closing Stock		
- Trading stock	17,77,641	5,19,131
- Finished Goods	35,74,893	27,99,208
- Work-in-process	1,15,96,620	43,38,292
	<u>1,69,49,154</u>	<u>76,56,631</u>
Opening Stock		
- Trading stock	5,19,131	6,96,908
- Finished Goods	27,99,208	25,71,119
- Work-in-process	43,38,292	82,04,900
	<u>76,56,631</u>	<u>1,14,72,927</u>
	<u>92,92,523</u>	<u>(38,16,295)</u>
<b>SCHEDULE - 10 : RAWMATERIAL CONSUMED</b>		
Opening Stock	4,30,194	5,44,440
Add: Purchases	4,53,36,213	1,31,09,413
	<u>4,57,66,407</u>	<u>1,36,53,853</u>
Less: Closing stock	24,70,695	4,30,194
	<u>4,32,95,712</u>	<u>1,32,23,659</u>
<b>SCHEDULE - 11 : MANUFACTURING EXPENSES</b>		
Power & Fuel	45,07,483	29,05,138
Consumables & Stores	19,80,359	4,96,037
Packing Expenses	66,46,289	33,28,463
Quality control & Testing Exp.	18,89,481	2,45,175
Other production expenses	32,51,318	14,96,578
	<u>1,82,74,930</u>	<u>84,71,391</u>



Particulars	31.03. 2005 Rs.	31.03 2004 Rs.
<b>SCHEDULE - 12 : PERSONNEL COST</b>		
Directors' Remuneration	10,03,156	7,57,920
Contribution To Provident Fund	7,60,915	2,50,836
Salaries & Wages	1,14,92,984	76,29,753
Staff Welfare	6,06,388	3,99,716
	<u>1,38,63,443</u>	<u>90,38,225</u>

**SCHEDULE - 13 : OFFICE, ADMINISTRATION & SELLING EXPENSES**

Postage, Telephone & Telegram Expense	16,06,603	12,39,176
Insurance Expenses	3,69,436	3,20,451
Legal, Professional & Consultancy	11,78,032	9,44,950
Auditors Remuneration	1,95,880	1,37,800
Printing & Stationery	4,47,385	4,68,872
Travelling & Conveyance Expenses	23,07,630	13,19,608
Directors' Travelling	12,84,499	6,13,413
Rent, Rates & Taxes	6,07,157	5,15,909
Vehicle & Petrol Expenses	8,66,490	7,36,139
Electric Charges	2,04,924	1,23,911
Selling Expenses	70,44,649	31,40,676
Sales Tax Exp.	87,957	1,01,128
Bad Debts written off / creditors written back	22,66,532	38,04,545
AGM, Board meeting & Share transfer Exp.	49,892	46,040
Loss on Sale of Fixed Asset	2,34,515	—
Donations	1,51,000	15,500
Miscellaneous Expenses	15,32,059	6,80,378
Preliminary exp. written off	5,16,618	2,60,053
Loss due to Exchange rate diff (Pref. Sh.)	1,80,000	2,60,000
Loss on Damaged Goods	12,19,107	10,36,496
TOTAL	<u>2,23,50,365</u>	<u>1,57,65,046</u>

**SCHEDULE - 14 : INTEREST & FINANCE CHARGES**

Term Loan Interest	4,03,442	5,19,877
Bank Interest	13,55,537	17,94,985
Bank Commission & Charges	4,73,400	1,92,002
HP Finance Charges	2,06,314	1,26,279
TOTAL	<u>24,38,694</u>	<u>26,33,143</u>

## Annual Report 2004-2005

### SCHEDULE - 15 NOTES FORMING PART OF ACCOUNTS AS AT 31-03-2005

#### SIGNIFICANT ACCOUNTING POLICIES :

1. The accounts are prepared under the historical cost convention and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The significant accounting policies followed by the Company are as follows:
  - a) **REVENUE AND EXPENDITURE RECOGNITION:**  
Revenue and expenditure are recognized on accrual basis.
  - b) **FIXED ASSETS :**  
All Fixed Assets are stated at historical cost less depreciation. The Company has provided depreciation on assets on Straight line Method, at the rates and in the manner prescribed under Schedule XIV of the Companies Act 1956.
  - c) **INVENTORIES :**  
Inventories are valued at lower of cost or market value.  
Cost of work -in-progress and finished goods is ascertained considering direct costs plus a share of manufacturing overheads. Cost of raw materials and packing materials is arrived at, by using FIFO Method.
  - d) **CONTINGENT LIABILITIES :**  
All liabilities have been provided for in the accounts except liabilities of contingent nature, which have been disclosed at their estimated value in the attached notes to accounts.
  - e) **FOREIGN CURRENCY TRANSACTIONS :**  
Expenditure/Income in foreign currencies are translated into Indian rupees at the rates prevailing on the date of occurrence of the transaction. At the year end all monetary foreign currency assets and liabilities are related to closing exchange rates. Gains or losses on settlement of foreign currency transactions during the period and from the year end restatement referred to above, are recognized in the Revenue account.
  - f) **PRELIMINARY EXPENDITURE :**  
Outstanding Balances in Preliminary & Public Issue expenses have been charged to revenue.
  - g) **RETIREMENT BENEFITS :**  
Liability is provided for retirement benefits of provident fund, gratuity and leave encashment in respect of eligible employees of the Company. Contribution under approved provident fund plans and gratuity / superannuation schemes of the LIC of India are charged to revenue.
  - h) **TAXATION :**  
Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.
2. Figures are rounded off to nearest rupee and previous year's figures have been regrouped wherever necessary.
3. Contingent Liabilities not provided for:- Rs. Nil (Previous year Nil)
4. In the opinion of the Board of directors, loans and advances are of the value stated in the Balance Sheet, to be realized in the normal course of business and provision for all known liabilities have been made in the books of accounts which are adequate and not in excess of the amount reasonably required.
5. The amount of loans and advances include Rs.5,00,742/- (P.Y. Rs.472,023/-) loans to companies, Firms and persons as listed in the register maintained under Section 301 of the Companies act, 1956. Maximum outstanding during the year was Rs.10,88,961 /- (P.Y. Rs. 17,90,763 /-).
6. Balance of Debtors, Creditors and loans and advances are subject to confirmation from them.
7. It is not possible to identify SSI undertakings from amongst Sundry Creditors. Hence details of dues to SSI undertakings are not given.
8. Deferred taxation :

The deferred tax assets and liabilities at the end of the year comprise of tax effect of following timing differences:

<b>Deferred tax Assets</b>	<b>2004-05</b>	<b>2003-04</b>
- Unabsorbed Losses	—	—
- Unabsorbed Depreciation	—	32,87,098
- Amount disallowed u/s 43B	—	1,07,625
	<u>—</u>	<u>33,94,723</u>
<b>Deferred tax liability</b>		
- Excess of Net block over Written Down value as per provisions of I.T. Act	<b>(89,68,720)</b>	(84,22,899)
	<u><b>(89,68,720)</b></u>	<u>20,75,767</u>

**9. Related Party Disclosures :**
**(i) List of Related Parties :**

Related parties with whom transactions have taken place during the year.

**(a) Associates / Individual Relatives :**

1. Hester Info Tech Pvt.Ltd.
2. Hester Diagnostics Pvt.Ltd.
3. Hester Coatings Pvt.Ltd.
4. Sinsui Inc.
5. Sinsui (India) Pvt.Ltd.
6. Biolink Healthcare Ltd.
7. Diagnostic India.
8. Zubin Lakdawala

**(b) Key Management Personnel :**

Rajiv D.Gandhi - Managing Director  
Sanjiv D. Gandhi - Director

**(ii) During the year following transactions were carried out with related parties in the ordinary course of business and at arms length:**

Sr. No.	Nature of Transactions	Associates	Key Management Personnel
1.	Advance Repaid	984,883 (1,553,025)	—
2.	Advance Given	670,494 (233,764)	278,131 (Nil)
3.	Advance Recovered	717,224 (Nil)	—
4.	Outstanding Balance Included Loans & Advances	650,742 (697,472)	278,131 (Nil)
5.	Outstanding Balance Included in Unsecured Loan	5,462 (990,345)	—
6.	Loss on Damaged Goods	1,219,107 (Nil)	—
7.	Amount W/Off	Nil (16,585)	—
8.	Purchase of Materials	624,120 (Nil)	—
9.	Local Sales	Nil (932,583)	—
10.	Director's Remuneration	—	1,003,156 (757,920)
11.	Rent- MD's Residence	180,000 (Nil)	23,100 (Nil)

**Note :** Disclosure is made of only those related parties with whom transactions have taken place during the year or there is balance at the end of the year.

10. Auditor' Remuneration include:	31.3.2005	31.3.2004
a. Audit fees	154,280	1,00,000
b. Tax Audit and Taxation matters	41,600	30,000
c. Other Services	15,800	7,800

**11. Additional Information as required under Para 3, 4C an 4D of part II Schedule VI of the Companies Act, 1956 are as under:**
**A. Installed capacity of Poultry Vaccines: (in million doses)**

Installed	Actual Production
1200	916.71
(500)	(446.97)

Note : Actual Production comprises of 58,272(Prev.Yr. 49,746 )Bottles of Killed Vaccines and 8,58,335 (Prev. Yr.405,181) Vials of Live Vaccines.

**B. Quantity and Sales Value of each class of goods dealt with by the Company.**

Class of Goods	U.O.M	31. 03.2005		31.03.2004	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>(i) Manufacturing</b>					
Killed Vaccines	Bottles	56947	74,936,130	50,308	32,874,976
Live Vaccines	Vials	774648	83,006,099	3,61,864	40,308,687
<b>(ii) Trading</b>					
Kits	Nos.	47	1,349,431	31	840,534
Vaccines	Bottle	2,516	30,99,825	362	27,89,500

## Annual Report 2004-2005

C. Value and Quantitative break-up in respect of opening and closing stock of each class of goods traded. (Previous year's figures are given in brackets)

Class of Goods	U.O.M	Opening Stock		Closing Stock	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>(i) Manufacturing :</b>					
Killed Vaccines	Bottles	<b>1185</b> (2193)	<b>561,868</b> (1,006,556)	<b>2507</b> (1185)	<b>1,038,199</b> (561,868)
Live Vaccines	Vials	<b>74114</b> (41915)	<b>2,182,474</b> (1,489,640)	<b>77641</b> (74114)	<b>2,374,122</b> (2,182,474)
Diluents	Vials	<b>27533</b> (24,825)	<b>54,865</b> (74,923)	<b>67964</b> (27533)	<b>162,572</b> (54,865)
<b>(ii) Trading</b>					
Vaccines	Bottle	<b>81</b> (169)	<b>303,388</b> (626,483)	<b>1490</b> (81)	<b>1,444,457</b> (3,03,388)
Kits	Nos.	<b>8</b> (3)	<b>215,743</b> (70,425)	<b>15</b> (8)	<b>333,184</b> (2,15,743)

Note: 10 Kits are used for own in house consumption. ( P.Y :7 Kits)

D. Value and Quantitative break-up of purchase of goods traded in :

Class of Goods	U.O.M	31.03.2005		31.03.2004	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Kits	Nos	64	1,420,204	43	9,35,157
Vaccines	Bottle	3993	3,782,400	280	7,78,431

E. (i) Raw Material Consumption :

Class of Goods	U.O.M	31.03.2005		31.03.2004	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Growth Media	Nos	1584800	3,71,67,162	567680	1,10,21,090
Other Chemicals			61,28,550		22,02,569
<b>Total</b>			<b>43,295,712</b>		<b>1,32,23,659</b>

F. CIF value of Import of Goods/Raw Materials Rs.13,677,281/- (Previous Year Rs. 15,82,767/-)

G. Raw Material Consumption :

	31.03.2005		31.03.2004	
	Percentage	Value (Rs.)	Percentage	Value (Rs.)
a. Imported	35.35	15,303,734	Nil	Nil
b. Indigenous	64.65	27,991,978	100.00	13223659

12. Expenditure in Foreign Currency for

	31.03.2005 Value (Rs.)	31.03.2004 Value (Rs.)
Purchase / Materials	12,274,890	2,058,879
Travelling	333,117	113,310

13. F.O.B. value of exports Rs.1,827,210/- (Previous Yr. Rs. 9,27,410/-)

14. Earnings per Share :

Calculation of Net Profit (including extraordinary item) available for Equity Shareholders :

	31-03-2005	31-03-2004
A. Net Profit After Tax	39,426,280	10,681,772
Dividend on Cumulative Pref. Shares	1,271,164	1,124,240
<b>Profit available to Equity shareholders</b>	<b>38,155,116</b>	<b>9,557,532</b>
B. Weighted Average No. of Eq. Shares of Rs. 10/- each	3,527,200	3,527,200
C. Basic and diluted Earning per share	10.82	2.71
D. Earning per share before preference Dividend	11.18	3.03

Calculation of Net Profit (excluding extraordinary item) available for Equity Shareholders :

	31-03-2005	31-03-2004
A. Net Profit After Tax	39,426,280	10,769,331
Dividend on Cumulative Pref. Shares Including Dividend Tax	1,271,164	1,124,240
<b>Profit available to Equity shareholders</b>	<b>38,155,116</b>	<b>9,645,091</b>
B. Weighted Average No. of Eq. Shares of Rs. 10/- each	3,527,200	3,527,200
C. Basic and diluted Earning per share	10.82	2.73
D. Earning per share before preference Dividend	11.18	3.05

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No. 

		2	2	3	3	3
--	--	---	---	---	---	---

 State Code 

						0	4
--	--	--	--	--	--	---	---

Balance Sheet Date 

3	1
---	---

0	3
---	---

2	0	0	5
---	---	---	---

Date                  Month                  Year

**II. Capital Raised during the year (Rs. in thousands)**

Private Placement 

						N	I	L
--	--	--	--	--	--	---	---	---

**III. Position of Mobilisation and Deployment of Funds (Rs. in thousands)**

Total Liabilities 

			1	0	1	5	2	5
--	--	--	---	---	---	---	---	---

 Total Assets 

			1	0	1	5	2	5
--	--	--	---	---	---	---	---	---

**Sources of Funds**

Paid-up Capital 

				4	9	3	2	5
--	--	--	--	---	---	---	---	---

 Reserves & Surplus 

				3	6	0	8	6
--	--	--	--	---	---	---	---	---

Secured Loans 

				1	6	1	0	9
--	--	--	--	---	---	---	---	---

 Unsecured Loans 

								5
--	--	--	--	--	--	--	--	---

**Application of Funds**

Net Fixed Assets 

				4	5	5	8	6
--	--	--	--	---	---	---	---	---

 Net Current Assets 

				6	4	9	0	8
--	--	--	--	---	---	---	---	---

Misc. Expenditure 

						0	0	0
--	--	--	--	--	--	---	---	---

 Deferred tax 

						(8	9	6	9)
--	--	--	--	--	--	----	---	---	----

**IV. Performance of Company (Rs. in thousands)**

<p>Total Turnover</p> <table border="1" style="width: 100%; text-align: center;"><tr><td></td><td>1</td><td>6</td><td>2</td><td>3</td><td>9</td><td>1</td></tr></table> <p>Profit before Tax</p> <table border="1" style="width: 100%; text-align: center;"><tr><td></td><td></td><td>6</td><td>3</td><td>4</td><td>5</td><td>7</td></tr></table> <p>Earning per share in Rs.</p> <table border="1" style="width: 100%; text-align: center;"><tr><td></td><td></td><td>1</td><td>0</td><td>.</td><td>8</td><td>2</td></tr></table>		1	6	2	3	9	1			6	3	4	5	7			1	0	.	8	2	<p>Other Income</p> <table border="1" style="width: 100%; text-align: center;"><tr><td></td><td></td><td></td><td></td><td>3</td><td>9</td><td>7</td></tr></table>					3	9	7	<p>Total Expenditure</p> <table border="1" style="width: 100%; text-align: center;"><tr><td></td><td>1</td><td>0</td><td>2</td><td>9</td><td>8</td><td>7</td></tr></table> <p>Profit after tax</p> <table border="1" style="width: 100%; text-align: center;"><tr><td></td><td></td><td>3</td><td>9</td><td>4</td><td>2</td><td>6</td></tr></table> <p>Dividend Rate</p> <table border="1" style="width: 100%; text-align: center;"><tr><td></td><td></td><td></td><td></td><td>1</td><td>2</td><td>%</td></tr></table>		1	0	2	9	8	7			3	9	4	2	6					1	2	%
	1	6	2	3	9	1																																													
		6	3	4	5	7																																													
		1	0	.	8	2																																													
				3	9	7																																													
	1	0	2	9	8	7																																													
		3	9	4	2	6																																													
				1	2	%																																													

**V. Generic Names of Three Principal Products/Services of Company**

Product Description : Item Code No. (ITC Code)

(a) Veterinary Vaccines 

3	0	0	2	3	9	0	0
---	---	---	---	---	---	---	---

15. Schedule 1 to 15 are attached to and form part of accounts for the year ended on 31st March, 2005.

**Signatures to Schedules 1 to 15**

As per our Report of even date attached

for **Shah Narielwala & Co**  
Chartered Accountants

**D. R. Shah**  
Partner

Ahmedabad, 21st April, 2005

for and on behalf of the Board

**Rajiv D. Gandhi**

Managing Director

**Sanjiv D. Gandhi**

Director

**Darayus N. Lakdawalla**

Director

Ahmedabad, 21st April, 2005

# Annual Report 2004-2005

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2005

	Amount Rs.	31/03/2005 Amount Rs.	Amount Rs.	31/03/2004 Amount Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit/(Loss) before tax and extraordinary items		6,58,95,518		2,21,26,418
Adjustments for :				
Loss on sale of asset	2,34,515		—	
Depreciation	31,98,262		26,94,992	
Effects of exchange rate change	—		—	
Interest and other income	(3,96,825)		(35,917)	
Prior period items	(90,000)		(87,559)	
Preliminary & Preoperative Exps.	5,16,618		2,60,053	
		34,62,570		28,31,569
		6,93,58,088		2,49,57,986
Operating Profit/(Loss) before Working Capital Charge				
Adjustment for :				
Trade & Other Receivables	(3,68,74,296)		(1,43,71,923)	
Inventories	(1,18,16,204)		38,76,216	
Trade Payables	1,28,43,938		(23,07,824)	
Loans & Advances	(1,05,98,765)		4,62,463	
Bank borrowings for working capital	95,880		8,09,611	
		(4,63,49,447)		(1,15,31,457)
Cash Generated from operating Activity		2,30,08,641		1,34,26,529
Interest Paid		(24,38,694)		(26,33,143)
<b>Net Cash from operating Activity</b>		2,05,69,947		1,07,93,385
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of Fixed Assets		(85,74,595)		(34,03,159)
Sales of Fixed Assets		1,61,000		
Interest and other income		3,96,824		35,917
<b>Net Cash Used in Investing Activities</b>		(80,16,772)		(33,67,242)
<b>C. CASH FLOW FROM FINANCING ACTIVITY</b>				
Proceeds from Long Term Borrowings		25,70,912		16,69,939
Repayment of Long Term Financing		(19,69,610)		(82,62,709)
Repayment of Other Loans		(15,98,989)		(5,68,357)
Payment of Tax for F.Y.03—04		(22,20,000)		
Effects of exchange rate charge		—		—
<b>Net Cash Flow from Financing Activity</b>		(32,17,687)		(71,61,127)
<b>Net Increase in Cash &amp; Cash Equivalents</b>		93,35,488		2,65,017
Cash & Cash Equivalent as at (Op. Balance)		4,47,977		1,82,960
Cash & Cash Equivalent as at (Cl. Balance)		97,83,465		4,47,977

As per our Report of even date attached

for **Shah Narielwala & Co**  
Chartered Accountants

**D. R. Shah**  
Partner

Ahmedabad, 21st April, 2005

for and on behalf of the Board

**Rajiv D. Gandhi** Managing Director

**Sanjiv D. Gandhi** Director

**Darayus N. Lakdawalla** Director

Ahmedabad, 21st April, 2005

**Hester Pharmaceuticals Limited**

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

**ATTENDANCE SLIP**

Members or their proxies are requested to present this for admission, duly signed in accordance with their specimen signatures registered with the Company. The admission will, however, be subject to verification of signatures and such other checks, as may be necessary.

NAME & ADDRESS OF THE SHAREHOLDER	Ledger Folio No.	No. of Shares held

I hereby record my presence at the 18th ANNUAL GENERAL MEETING of the Company held on Wednesday, the 15th June, 2005 at 11.00 a.m.

SIGNATURE OF THE SHAREHOLDER OR PROXY

TEAR HERE

**Hester Pharmaceuticals Limited**

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

**PROXY FORM**

L. F. No. \_\_\_\_\_

I, We \_\_\_\_\_

of \_\_\_\_\_ being a member/members of **Hester Pharmaceuticals Limited**

hereby appoint \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the 18th Annual General Meeting of the Company to be held at 11.00 a.m.

on Wednesday the 15th June, 2005.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2005.

Affix a  
30 Paisa  
Revenue  
Stamp

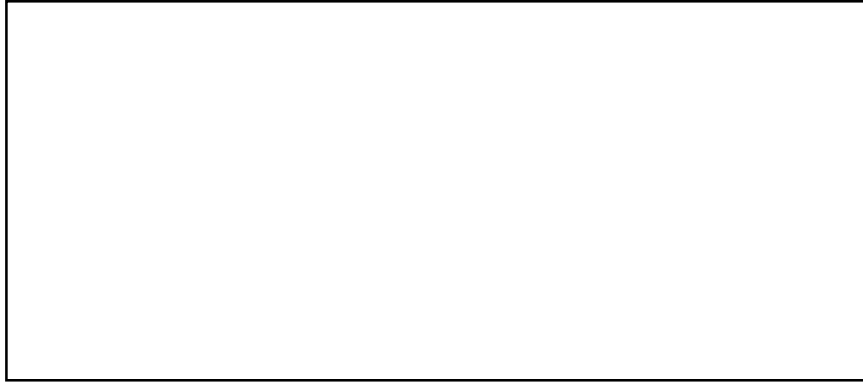
\_\_\_\_\_  
Signature(s) of the Shareholder(s)

NOTE : The proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid Meeting.



BOOK-POST

TO



*If undelivered, Please return to :*

**Hester Pharmaceuticals Limited**

Corporate Office :

16/10, Devendra Society,

Naranpura,

Ahmedabad - 380 013.