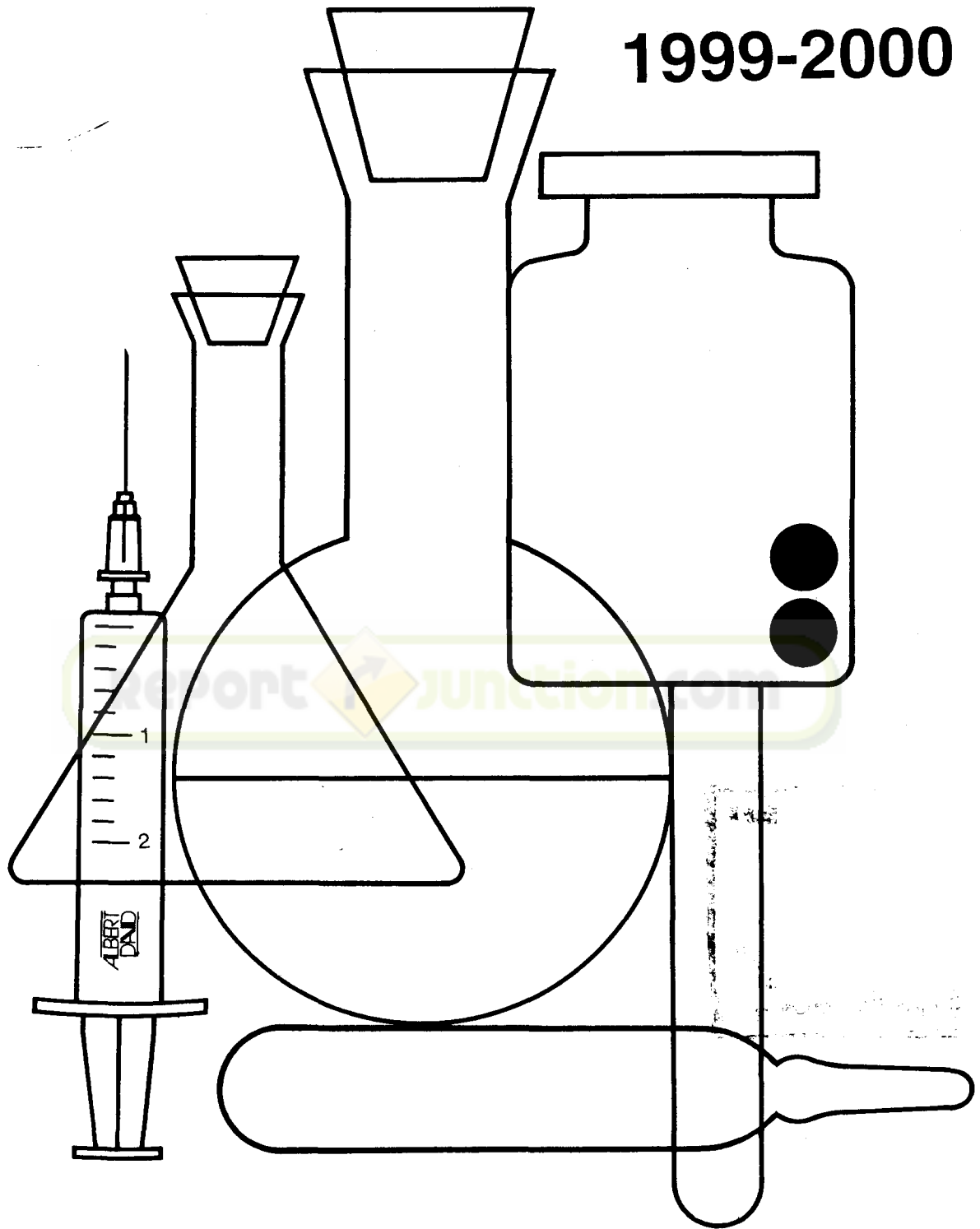


annual report

1999-2000



ALBERT DAVID LIMITED

15, CHITTARANJAN AVENUE CALCUTTA 700 072

DIRECTORS : Sri A. K. Kothari *Chairman*
Sri D. D. Binani
Sri P. L. Agarwal
Sri H. Kampani
Sri R. Singhi
Sri K. P. Mundhra *Executive Director*

MANAGEMENT TEAM : Sri H. P. Kabra
President (Commercial)
Sri S. N. Chatterjee
Vice President (Marketing)
Sri V. K. Agarwal
Vice President (Personnel & Legal Affairs)
Sri S. C. Shah
Vice President (Finance)
Sri N. M. Kothari
Sr. Vice President (Works), Calcutta
Sri P. K. Jain
Vice President (Technical), Calcutta
Dr. D. P. Ghosh
Sr. Vice President (Technical), Ghaziabad
Sri G. C. Sharma
*General Manager (Commercial)-cum-Factory
Manager, Ghaziabad*
Sri V. K. Chaudhary
General Manager (Technical), Mandideep
Sri D. Chitlangia
*General Manager (Commercial)-cum-Factory
Manager, Mandideep*
Company Secretary
Sri Indrajit Dhar

AUDITORS : G. Basu & Co.
Chartered Accountants

BANKER : State Bank of India

REGISTERED OFFICE : 15, Chittaranjan Avenue,
Calcutta - 700 072

WORKS : 5/11, D. Gupta Lane,
Calcutta - 700 050

B-12/13, Meerut Road,
Industrial Area
Ghaziabad - 201 003 (U.P.)

Plot No. 207
New Industrial Area No. 2
Mandideep - 462 046
Dist. Raisen (M.P.)

ALBERT
DAVID

notice

TO THE MEMBERS

NOTICE is hereby given that the SIXTYFIRST Annual General Meeting of the Shareholders of the Company will be held at **Gyan Manch Education Society**, 11, Pretoria Street, Calcutta 700 071 on Monday, the 31st July, 2000 at 11 a.m., to transact the following business :

1. To consider and adopt the Profit & Loss Account for the year ended 31st March, 2000 and Balance Sheet as at that date together with Auditors' and Directors' Report thereon.
2. To declare dividend.
3. To appoint Directors in place of Shri Rajiv Singhi and Shri Hemal Kampani who retire by rotation and being eligible offer themselves for re-appointment.
4. To appoint Auditors and fix their remuneration.

Special Business :

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

5. RESOLVED that pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to such sanctions and approvals as may be necessary, the Company hereby approves and accords its consent to the re-appointment of Shri Kamal Prasad Mundhra, as Wholetime Director of the Company designated as an Executive Director not liable to retire by rotation for a period of two years with effect from 1st April, 2000 with liberty to either party to terminate the appointment on three month's notice in writing to the other, at the remuneration set out in the Explanatory Statement to this resolution and on the terms and conditions contained in an Agreement dated 31st March, 2000 entered into between the Company and Shri Kamal Prasad Mundhra.

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

6. (a) RESOLVED that pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956, the following new Article 48A be inserted after Article 48.

'48A' Notwithstanding anything contained in any

other clause or clauses of the Articles of Association of the Company, a holder or joint holders of shares or debentures, may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956 and in the manner prescribed thereunder, a person to whom all the rights in the shares or debentures of the Company, shall vest in the event of death of such holder(s). Any nomination so made shall be dealt with by the Company in accordance with the provisions of Section 109B of the Companies Act, 1956.

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

- (b) RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the following Article be inserted and added as Article 8A after the existing Article 8 :-

'8A' Notwithstanding anything contained in these Articles and in consonance with Sections 77A and 77B of the Companies Act, 1956, the Board of Directors may buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted by the law.

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

- (c) RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the following Article be inserted and added by Article 48B after the existing Article 48A :-

48B Definitions :

- i) For the purpose of this Article :

"Beneficial Owner" means a person or persons whose name is recorded as such with a depository :

"SEBI" means the Securities & Exchange Board of India :

"Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of

NOTICE (Contd.)

registration to act as depository under the Securities & Exchange Board of India Act, 1992, and

"Security" means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities

- ii) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Option for investors

- iii) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the Law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in Depositories to be in fungible form

- iv) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial Owners

- v) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security

on behalf of the beneficial owner.

- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of Documents

- vi) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

- vii) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer or securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt with in a depository

- viii) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive Number of Securities held in a Depository

- ix) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Register and Index of Beneficial Owners

- x) The Register and Index of beneficial owners



NOTICE (Contd.)

maintained by a depository under Depositories Act, 1996, shall be deemed to be the Registered and Index of Members and Security holders for the purposes of these Articles.

By Order of the Board

Registered Office : For ALBERT DAVID LIMITED
15, Chittaranjan Avenue
Calcutta-700 072
Dated : The 31st May, 2000

INDRAJIT DHAR
Company Secretary

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 18th July, 2000 to 31st July, 2000, both days inclusive.
3. Members can now avail the facility of nomination in respect of shares held by them pursuant to the amendment in the Companies Act, 1956. The prescribed Form (Form 2B) is being sent with the Notice. Members desiring to avail this facility, may send their nomination form duly filled in, to the Company at its Registered Office by quoting their respective Folio Numbers.
4. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed Dividends upto the year ended 31st March, 1995 have been transferred to General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants upto the said period are requested to claim the amounts from

the Registrar of Companies, West Bengal, 234/4, Acharya Jagadish Ch. Bose Road, Calcutta 700 020.

5. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999 the amount of dividend for the year ended on 31.3.1996 or for any subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 1996 are requested to make their claims to the Company accordingly.

6. The Dividend, if approved, will be payable only to such Members whose names appear in the Register of Members of the Company on 31st July, 2000 or to their order or to their Bankers. No application need be sent for dividends as relative dividend warrants will be posted to the members by 11th September, 2000.
7. Members are requested to inform their bank account numbers and bank branch details to the Company to enable it to include these details in the dividend warrants and thus minimise the chances of loss of dividend warrants. The above information may be given by 31st July, 2000 to the Company's Registered Office.
8. Members are requested to intimate to the Company :
 - i) Changes, if any, in their registered address at an early date quoting their Folio Numbers.
 - ii) If any Member is having more than one Folio, he/she is requested to intimate the Company for consolidation of Folios.

NOTICE (Contd.)

EXPLANATORY STATEMENT PURSUANT TO
SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 5

Shri K. P. Mundhra was re-appointed as Wholtime Director designated as Executive Director of the Company with effect from 1st April, 1998 upto 31st March, 2000 which was approved by the Shareholders in the meeting held on 28th August, 1998. The said term of his appointment expired on 31st March, 2000. In consideration of excellent and valuable services being rendered by Shri K. P. Mundhra to the Company, the Board of Directors, subject to your approval at its meeting held on 31st January, 2000 have re-appointed him as Wholtime Director designated as Executive Director for a period of two years with effect from 1st April, 2000 on the terms and conditions set out in an Agreement dated 31st March, 2000. The terms of appointment and remuneration of Shri K. P. Mundhra as Executive Director are in accordance with Schedule XIII of the Companies Act, 1956.

An abstract of the remuneration payable to him as such Executive Director of the Company under the Agreement is given below :-

a) SALARY :

Rs. 47,500/- (Rupees Forty Seven Thousand Five Hundred only) per month for the period from 1st April, 2000 to 31st March, 2001 and thereafter from 1st April, 2001 Rs. 55,000/- (Rupees Fifty Five Thousand only) per month.

b) PERQUISITES :

The Executive Director shall also be entitled to the following perquisites in addition to the above salary :-

- | | |
|------------------------------|---|
| i) Housing | : The Company will provide hired unfurnished accommodation to the Executive Director. |
| ii) Medical Reimbursement | : Expenses incurred for self and family in accordance with the Rules of the Company. |
| iii) Leave Travel Concession | : For self and family in accordance with the Rules of the Company. |

- | | |
|--------------------------------|--|
| iv) Club Fees | : Fees of one club which will not include admission and life membership fee. |
| v) Personal Accident Insurance | : Premium not to exceed Rs. 5,000/- per annum. |
| vi) Provident Fund | : Contribution to Provident Fund in accordance with the Rules of the Company. |
| vii) Gratuity | : Gratuity at a rate not exceeding half month's salary for each completed year of service, subject to the ceiling prescribed under the Gratuity Act. |
| viii) Leave Encashment | : Encashment of leave at the end of the tenure in accordance with the Rules of the Company. |
| ix) Car & Telephone | : Provision of car for use on Company's business and telephone at his residence. Use of car for private purpose and personal long distance calls on telephone shall be billed by the Company to the Executive Director of the Company. |

The above perquisites shall be evaluated as per Income Tax Acts/Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

In case of no profits or inadequate profits in any financial year remuneration and perquisites shall be subject to overall limits as prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956.

The Executive Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

The agreement also sets out the mutual rights and



NOTICE (Contd.)

obligations of the Company and the Executive Director and details of powers and duties of the latter and can be terminated by either party by giving three month's notice in writing to the other.

A copy of the Agreement dated 31st March, 2000 referred to in the resolution will be available for inspection by the Members at the Registered Office of the Company on any working day prior to the date of the meeting between 11.00 a.m. and 1.00 p.m. and will also be available at the meeting.

The Board recommends that the resolution be passed.

None of the Directors other than Shri Kamal Prasad Mundhra is concerned or interested in the aforesaid appointment and remuneration.

Item No. 6

(a) The Companies (Amendment) Act, 1999 has inter-alia, made a provision through Sections 109A and 109B whereby, a holder or joint holders of shares or debentures of the Company can nominate a person to whom all the rights in the Shares/Debentures of a Company shall vest in the event of death of such holder(s). Where a nomination has been made in the prescribed manner by the Shareholder(s) or Debentureholder(s), the nominee shall, on the death of the Shareholder(s)/Debentureholder(s), as the case may be, be entitled to all rights, in the Shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

It is, therefore, proposed to insert new Article 48A in the Articles of Association of the Company to give effect to the said provisions as detailed in the Special Resolution.

(b) Consequent upon introduction of new Sections 77A & 77B in the Companies Act, 1956, a new vista has been opened for flexible capital structure by companies as and when necessary without involvement of any external regulatory mechanism. Buy back is a financial strategy. A provision has, therefore, been made in the Articles of Association of the Company to enable the Company to buy back its own shares, if so required.

(c) With the Depositories Act, 1996, coming into force, investors at their option are now enabled to hold and transact in securities in dematerialised form through a depository. It is, therefore, necessary to alter the Articles of Association of the Company so that they conform to the amended provisions of Companies Act, 1956 and Depositories Act, 1996.

The Board recommends that the above resolutions be passed.

None of the Directors of the Company is interested or concerned in the said Resolutions except as a Shareholder.

By Order of the Board
Registered Office : For ALBERT DAVID LIMITED
15, Chittaranjan Avenue
Calcutta-700 072
Dated : The 31st May, 2000.

INDRAJIT DHAR
Company Secretary

directors' report

TO THE SHAREHOLDERS

Ladies & Gentlemen,

Your Directors take pleasure in presenting for your consideration the report on the working of the Company and the Audited Profit & Loss Account and the Balance Sheet for the year ended 31st March, 2000.

FINANCIAL RESULTS :

		Rs.
Gross Profit for the year		4,59,75,514
Less : Depreciation		3,07,77,736
Net Profit before Tax		1,51,97,778
Less : Provision for Income Tax		84,00,000
Net Profit after Tax		67,97,778
Add : Balance brought forward from Last year's account	21,33,966	
Debenture Redemption Reserve written back	42,00,000	
Investment Allowance Reserve written back	59,00,000	1,22,33,966
		1,90,31,744
Less : Proposed Dividend	45,65,730	
Corporate Dividend Tax	10,04,461	
Transfer to General Reserve	10,00,000	65,70,191
Balance Carried Forward		1,24,61,553

WORKING RESULTS :

During the year under review, sales Turnover amounted to Rs. 8418.46 Lacs as against Rs. 8742.36 Lacs in the previous year. Despite stiff competition especially in the field of Infusion Solutions (IV Fluids) resulting in reduced realisation from the market Gross Profit for the year was Rs. 459.76 Lacs as compared to Rs. 551.62 Lacs in the previous year. Export Sales continued to show increasing trend at Rs. 507.59 Lacs compared to Rs. 392.25 Lacs in the previous year.

As reported in previous year's report several new

products such as ALSTAT INJ./TAB, SIOBAN SUSPENSION/TAB., SIOKOF SYRUP, ADLIV DROP were introduced during the year under review and these new products have been well accepted by the medical profession across the country.

During the current financial year the Company proposes to lay stress on promoting its existing profit generating formulations products and also launch a number of new products which is expected to further improve the sales and financial performance of the company during the current financial year.

Your Directors are pleased to inform that your Company's Ghaziabad Unit has been awarded with ISO-9002, an Accreditation Certificate, by M/s. SGS Yarsley International Certification Services Ltd., Surrey, United Kingdom.

DIVIDEND :

Your Directors recommend payment of dividend @ 8% on Equity Shares of the Company. Your Directors propose to exercise lien on dividends and to adjust the same against Calls in Arrears in respect of shares on which the calls remain in arrears at the time of declaration of dividend.

Y2K :

The changeover to 2000 caused no problems in any systems or other areas of your Company's operations.

DEBENTURES :

The 3rd and final instalment of Rs. 41,66,664/- being one third of the 1,25,000 14% Secured Non-Convertible Redeemable Debentures of Rs. 100/- each has been paid on due date.

FIXED DEPOSIT :

During the year the Company accepted fixed deposits and the balance of the fixed deposit as on 31st March, 2000 was Rs. 335.00 Lacs. There has not been any unclaimed deposit outstanding as on 31st March, 2000.

AUDITORS' OBSERVATION :

With regard to Auditors' observation in their report, the relevant notes on accounts are self-explanatory.

DISCLOSURE UNDER SECTION 217(2A) OF THE COMPANIES ACT 1956 :

The particulars of employees in terms of sub-section (2A) of Section 217 of the Companies Act, 1956 are set



DIRECTORS' REPORT (Contd.)

out in the enclosed Annexure-I forming part of this Report.

INFORMATION PURSUANT TO SECTION 217(1) (e) :

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are set out in Annexure-II forming part of this Report.

ENLISTMENT OF SECURITIES :

The equity shares of the Company are enlisted with Calcutta, Delhi & Mumbai Stock Exchanges and their Listing Fees have been paid in time.

DIRECTORS :

Subject to your approval the Board had re-appointed Shri K. P. Mundhra as Wholetime Director designated as Executive Director of the Company for a further period of two years with effect from 1st April, 2000. A resolution seeking shareholders' approval for his re-appointment is placed before the shareholders for consideration at the forthcoming Annual General Meeting.

Shri Rajiv Singhi and Shri Hemal Kampani retire from the Board by rotation and being eligible offer themselves for re-appointment.

AUDITORS :

M/s. G. Basu & Co., Chartered Accountants retire as Auditors of the Company and being eligible offer themselves for re-appointment. The Certificate as required under sub-section 1B of Section 224 of the Companies Act, 1956 has been obtained.

ACKNOWLEDGEMENTS :

The Board gratefully acknowledges the support given by medical profession, trade, shareholders, financial institutions and the company's bankers and stockists. The Board further expresses its appreciation for the services rendered by the executives, officers, staffs and workers of the Company at all levels.

For and on behalf of the
Board of Directors

Calcutta
Dated : The 31st May, 2000

A. K. KOTHARI
Chairman

ANNEXURE - I TO THE DIRECTORS' REPORT

Sl. No.	Name	Designation/ Nature of Duties	Remuneration Received Rs.	Qualification	Experi- ence in Years	Date of Commence- ment of Employment	Age (Years)	Last Employment held
1.	Mundhra K. P.	Executive Director	6,64,100	M.Sc. (Hons.)	32	21.08.70	56	General Assistant, India Linoleums Ltd.

- Notes :
- 1) The above employee is not related to any Directors of the Company.
 - 2) Remuneration includes Salary, Company's contribution to Provident Fund, Leave Travel Assistance, Medical Expenses and other benefits.
 - 3) The above employment is contractual.

For and on behalf of the
Board of Directors

Calcutta
Dated : The 31st May, 2000

A. K. KOTHARI
Chairman