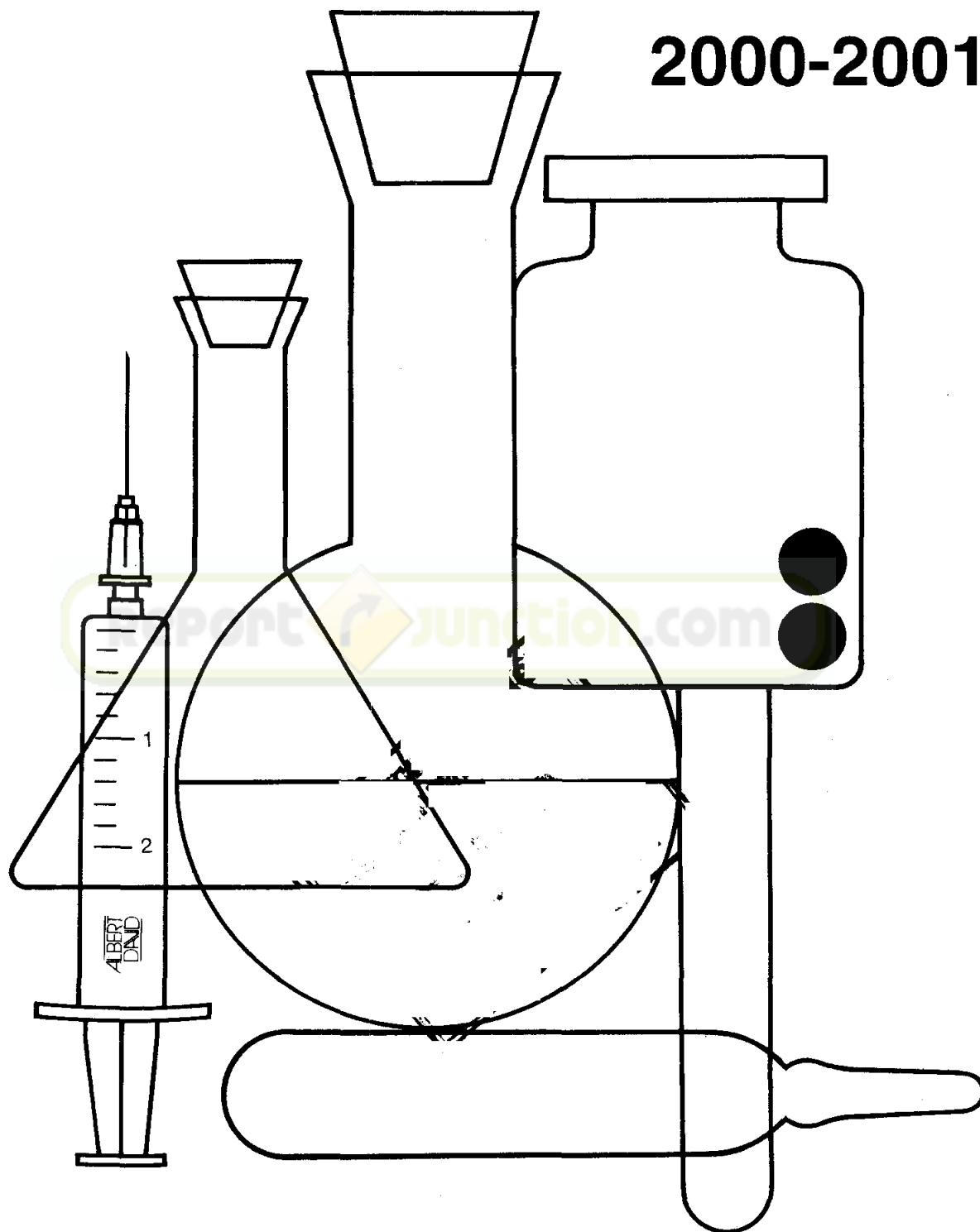


annual report

2000-2001



ALBERT DAVID LIMITED

15, CHITTARANJAN AVENUE, KOLKATA 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 S. C. Shah
Vice President (Finance)
Dr. M. K. Maheswari
Vice President (Personnel & Legal Affairs)
Sri N. M. Kothari
Sr. Vice President (Works), Kolkata
Sri P. K. Jain
Vice President (Technical), Kolkata
Dr. D. P. Ghosh
*Sr. Vice President (Technical)-cum-Factory
Manager, Ghaziabad*
Sri D. Chitlangia
General Manager, (Commercial), Ghaziabad
Sri V. K. Chaudhary
General Manager (Technical), Mandideep
Sri Manish Tandon
General Manager (Commercial), Mandideep
Company Secretary
Sri Indrajit Dhar

AUDITORS : G. Basu & Co.
Chartered Accountants

BANKER : State Bank of India

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

WORKS : 5/11, D. Gupta Lane,
Kolkata - 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.)



notice

TO THE MEMBERS

NOTICE is hereby given that the SIXTY-SECOND Annual General Meeting of the Shareholders of the Company will be held at **Gyan Manch Education Society**, 11, Pretoria Street, Kolkata 700 071 on Tuesday, the 31st July, 2001 at 10.30 A.M., to transact the following business :

1. To consider and adopt the Profit & Loss Account for the year ended 31st March, 2001 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 P. L. Agarwal and Shri D. D. Binani who retire by rotation and being eligible offer themselves for re-appointment.
4. To appoint Auditors and fix their remuneration.

Special Business :

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

RESOLVED that pursuant to the provisions of Sections 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and within the overall limit as laid down in Schedule XIII of the Companies Act, 1956, the Company hereby approves and accords its consent to increase the remuneration payable to Shri K. P. Mundhra, Executive Director of the Company, with effect from 1st April, 2001 for the residual period of his current terms of office in the manner and to the extent set out in the Explanatory Statement to this resolution and in the Supplemental Agreement entered into between the Company and Shri K. P. Mundhra on 1st February, 2001.

By Order of the Board
For ALBERT DAVID LIMITED

INDRAJIT DHAR
Company Secretary

Registered Office :
15, Chittaranjan Avenue
Kolkata-700 072

Dated : The 15th June, 2001

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, 2001 to 31st July, 2001, both days inclusive.
3. The dividend as recommended by the Board, if approved at the meeting, will be paid to those Members or to their nominees whose names appear in the Register of Members of the Company on 31st July, 2001. In respect of the shares in electronic form, the dividend will be paid to the beneficial owners as per details provided by National Securities Depository Limited and Central Depository Services (India) Limited on that date. Dividend Warrants will be despatched within 29th August, 2001.
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, Kolkata 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 31st March, 1996 and 31st March, 2000 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 and 31st March, 2000 are requested to make their claims to the Company accordingly.
6. 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



NOTICE (Contd.)

dividend warrants. The above information may be given by 31st July, 2001 to the Company's Registered Office.

7. 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.

8. As per the provisions of the amended Companies Act, 1956, the facility for making nominations is available to the shareholders in respect of the equity shares held by them. Members holding shares in physical form may send their request for nomination in the prescribed Form-2B duly filled in and signed to the Company's Registered Office.

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

Item No. 5

Shri K. P. Mundhra was re-appointed as Wholetime Director designated as Executive Director of the Company for a period of two years with effect from 1st April, 2000 to 31st March, 2002 which was approved by the shareholders in their meeting held on 31st July, 2000 and his remuneration was also determined as per the Agreement executed with him on 31st January, 2000.

In view of increased duties and responsibilities, the Board of Directors of the Company, subject to the approval of the Members and within the limits specified

in Schedule-XIII of the Companies Act, 1956, at its meeting held on 31st January, 2001, have increased the remuneration of Shri K. P. Mundhra, Executive Director of the Company from Rs. 55,000/- to Rs. 75,000/- per month for the residual period of one year i.e. from 1st April, 2001 to 31st March, 2002 in the manner and to the extent as set out in the Supplemental Agreement entered into between the Company and Shri K. P. Mundhra on 1st February, 2001. The other terms and conditions as mentioned in Agreement dated 31st January, 2000 remains same.

Copies of the Agreements referred hereinabove 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.

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

The Board recommends that the resolution be passed.

By Order of the Board
For ALBERT DAVID LIMITED

INDRAJIT DHAR
Company Secretary

Registered Office :
15, Chittaranjan Avenue
Kolkata-700 072
Dated : The 15th June, 2001



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, 2001.

FINANCIAL RESULTS :

		Rs.
Gross Profit for the year		6,65,37,532
Less : Depreciation		<u>2,65,56,842</u>
Net Profit before Tax		3,99,80,690
Less : Provision for Taxation	1,47,00,000	
Income Tax for earlier years	4,888	
Add : Income Tax refund for earlier year	<u>4,80,360</u>	<u>1,42,24,528</u>
Net Profit after Tax		2,57,56,162
Less : Leave Salary for earlier years		<u>65,54,684</u>
		1,92,01,478
Add : Balance brought forward from Previous year	1,24,61,553	
Investment Allowance Reserve written-back	<u>25,00,000</u>	<u>1,49,61,553</u>
		3,41,63,031
Less : Proposed Dividend Corporate Dividend Tax	68,48,594	
Transfer to General Reserve	6,98,557	
	<u>1,00,00,000</u>	<u>1,75,47,151</u>
Balance Carried Forward		<u>1,66,15,880</u>

WORKING RESULTS :

The Company's financial performance during the year under review has been satisfactory. Sales turnover stood at Rs. 8587.33 Lacs compared to Rs. 8418.46 Lacs in the previous year. Despite marginal increase in sales, Gross Profit has recorded a significant growth at Rs. 665.38 Lacs compared to Rs. 459.76 Lacs in the previous year.

Continuance of focus on promotion of profit-generating products with additional impetus has contributed to better results. There is a significant improvement on export front also. Export sales during the year stood at Rs. 645.47 Lacs compared to Rs. 507.59 Lacs in the previous year.

During the current financial year the Company received permission to manufacture and market its prestigious New Research Product "Placentrex Gel" for the management of wounds, burns and vitiligo. Placentrex Gel will also have several uses in cosmetic fields, the product is already in the process of placement in the market. Quite a few new products have been lined up for introduction during this year such as - **Alrof**, Rofecoxib Tablets for management of acute pain and oosteoarthritis, **Slozin Cream**, a Silver Suphadiazine formulation documented for high efficacy in management of burns, **Siofin**, a Steroidal Anti Biotic Cream for management of several stubborn infections, **Quin-4 Cream**, a combination of Betamethasone Valerate, Gentamicin Sulphate, Tolnaftate & Iodochlorhydroxyquinoline for management of several steroid and anti-fungal responsive disorders, **Adlin Gel**, a combination product of Oleum Lini, Diclofenac Diethylamine, Methyl Salicylate, Menthol for management of joint pain, low back pain, strain and sprain and muscular pain, **Geflam Capsule** of Glucosamine Sulphate for management of chronic Oosteoarthritis related Musculo Skeletal disorders.

The above new products are expected to contribute in our sales volume besides increasing the Therapeutic product Portfolio of the Company resulting in better financial performance.

DIVIDEND :

Your Directors recommend payment of dividend @ 12% 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.

FIXED DEPOSIT :

During the year the Company accepted fixed deposits and the balance of the fixed deposit as on 31st March, 2001 was Rs. 332.05 Lacs. There has not been any unclaimed deposit outstanding as on 31st March, 2001.



DIRECTORS' REPORT (Contd.)

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :

- i) in the preparation of the annual accounts, applicable accounting standards have been followed ;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period ;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- iv) the Directors had prepared the annual accounts on a going concern basis.

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

The Companies (Particulars of Employees) Rules, 1975 are not applicable.

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-I forming part of this Report.

CORPORATE GOVERNANCE :

The importance of Corporate Governance lies in its contribution both to business prosperity and to accountability. Directors fully support basic tenets of Corporate Governance as the prudent exercise of management rights in the best interests of all stakeholders in a Company - in particular, its shareholders, creditors, the State and its employees. Directors are fully committed to implement all requirements of Clause 49 of the Listing Agreements in the Financial Year i.e. 2002-2003 when it become applicable to the Company.

During the year, an Audit Committee of Directors was constituted comprising of Shri A. K. Kothari, Shri P. L. Agarwal and Shri Rajiv Singhi. The Committee elected Shri Rajiv Singhi as its Chairman.

DIRECTORS :

Shri P. L. Agarwal & Shri D D Binani retire from the Board by rotation and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

LISTING OF SHARES :

As per the directions of the Securities & Exchange Board of India, the shares of your Company has been dematerialised with effect from 30th October, 2000 and connectivity has been established with National Securities Depository Limited and Central Depository Services (India) Limited.

The shares of your Company are listed on the Calcutta Stock Exchange Association Limited, The Stock Exchange, Mumbai and Delhi Stock Exchange Association Limited and your Directors confirm that the Annual Listing Fee has been regularly paid to the said Stock Exchanges.

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 and sub-section 3(e) of Section 226 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

A. K. KOTHARI
Chairman

Kolkata
Dated : The 15th June, 2001



ANNEXURE – I TO THE DIRECTORS' REPORT

Information pursuant to the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY & ELECTRICITY :

a) Energy conservation measures taken :

Conservation of energy continues to receive close attention in all manufacturing units of the Company. Some of the measures taken are as under :

- i) Installation of more efficient dryers in Tablet Department.
- ii) Replacement of lower capacity Ampoule filling and sealing machine by more efficient and higher capacity machine in Injectable Department.
- iii) Replacement of Steam Sterilizer with energy efficient Super-heated Water Spray Sterilizer.
- iv) Phase balancing of heating and lighting load.

b) Additional investment & proposal, if any, being implemented for reduction of consumption of energy :

- i) Further energy conservation is planned through replacement of inefficient machine and reducing idle running of machine.
- ii) Your Company has brought about awareness at all levels about the need to conserve electricity and lubricants.
- iii) Programmes are under consideration to install sectionwise energy meters and other equipments and the Company is continuously bringing awareness at all levels to conserve electricity.

c) Impact of the measures of (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

- i) The implementation of measures have resulted in reduction of energy consumption per unit of production. However, energy cost as a total proportion of cost of production is quite insignificant.

FORM - A

POWER & FUEL CONSUMPTION :

1. Electricity :

(i) Purchased :

Units	'000 kwh	3912	4494
Total Amount	Rs. Lacs	179.55	200.90
Rate/Unit	Rs.	4.59	4.47

(ii) Own Generation :

Through Own Generator :

Units	'000 kwh	1948.12	1694.76
Unit per litre of Diesel Oil		3.08	3.01
Rate/Unit	Rs.	4.55	3.34

2. Coal :

Quantity	M.T.	937.90	933.50
Total Cost	Rs. Lacs	20.86	18.34
Average Rate	Rs.	2224.11	1964.42

3. Furnace Oil / L.D.O. :

Quantity	K.L.	996.70	1384.44
Total Cost	Rs. Lacs	134.37	110.50
Average Rate	Rs.	13480.00	7981.56



ANNEXURE – I TO THE DIRECTORS' REPORT (Contd.)

B. TECHNOLOGY ABSORPTION :

a) Research & Development (R & D) :

Research & Development has been carried out on new product's development and improvement in the quality of the existing products continues to receive close monitoring at the laboratory.

b) Benefits derived as a result of above R & D :

Adaption of latest technology has contributed to the control of costs and improvement of quality of the products.

(c) Future plan of action :

Research and development has been considered as a continuous process and further steps are being taken to equip the R&D Department of the Company adequately.

(d) Expenditure on R & D :

As per the established Accounting Policy Expenditure incurred on Research & Development remains merged with the respective heads.

C. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION :

By keeping track of the latest development in the manufacturing field, efforts are continuously made to procure the latest technology. Adaption of latest technology has contributed to the control of cost and improvement in the quality of the products.

D. FOREIGN EXCHANGE EARNINGS & OUTGO :

The Company is exploring the possibilities for increasing the exports in newly developed export markets.

Total Foreign Exchange earned and used :

	Current Year Rs. in Lacs.	Previous Year Rs. in Lacs.
(i) Earnings :		
FOB Value of exports (including deemed Export in Indian Currency Rs. Nil, Previous year Rs. 3.63 lacs)	645.47	507.59
Claim Received	11.03	15.14
Interest Received	—	0.13
Other Income (Freight & Insurance)	73.52	67.61
(ii) Expenditures :		
(a) CIF Value of imports :		
Capital Goods	47.40	91.47
Raw Materials & Others	629.58	646.62
Spare Parts & Components	15.72	8.41
(b) Expenses in Foreign Currency :		
Travelling	5.66	4.67
Subscription	0.08	0.08
Interest	113.57	29.60
Exchange Fluctuations on Working Capital Demand Loan	36.22	16.60
Others	25.55	20.10

For and on behalf of the
Board of Directors

Kolkata
Dated : The 15th June, 2001

A. K. KOTHARI
Chairman