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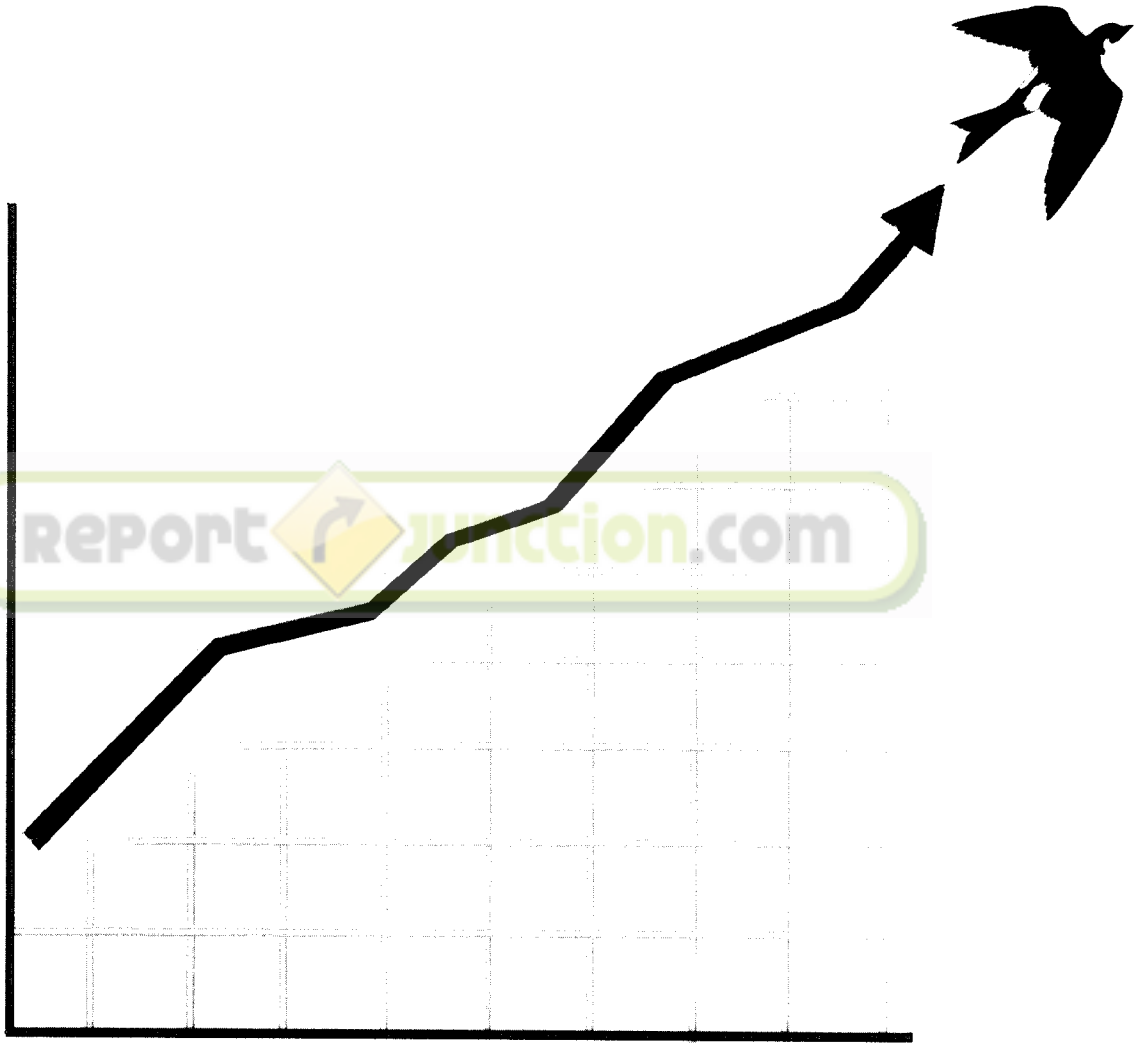
Annual Report 2003-2004



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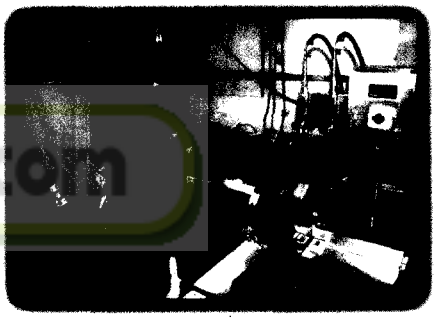

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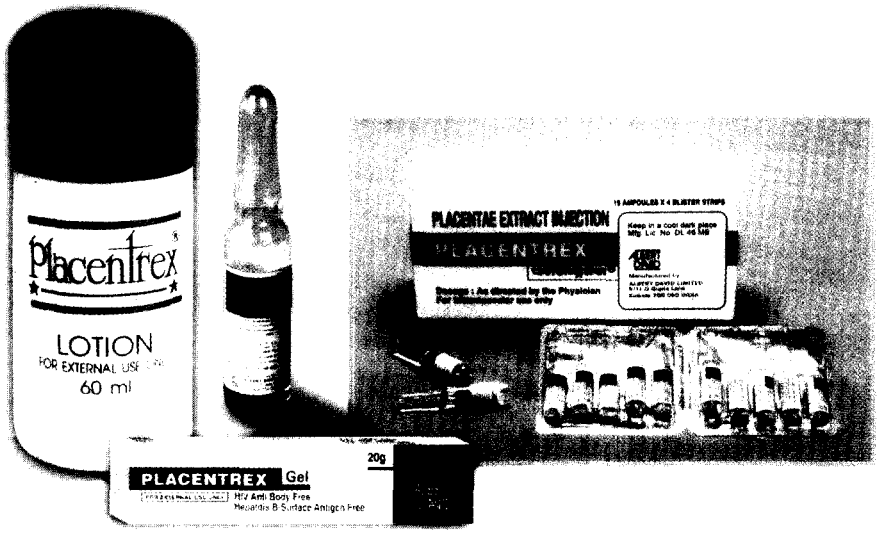

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DIRECTORS : Sri A. K. Kothari *Chairman*
Sri D. D. Binani
Sri P. L. Agarwal
Sri H. Kampani
Sri R. Singhi
Sri A. V. Iyengar
Sri K. P. Mundhra *Executive Director*

MANAGEMENT TEAM : Sri H. P. Kabra
President (Commercial)

Sri. S. C. Shah
Vice President (Finance)

Sri Jagdish Singh
Vice President (Sales & Marketing)

Dr. M. K. Maheswari
Vice President (Personnel & Legal Affairs)

Sri P. K. Jain
Vice President (Works), Kolkata

Dr. G. P. Srivastava
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
Dr. 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.)

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notice

TO THE MEMBERS

NOTICE is hereby given that the SIXTY-FIFTH Annual General Meeting of the Shareholders of the Company will be held at **GYAN MANCH EDUCATION SOCIETY**, 11, Pretoria Street, Kolkata-700071 on Tuesday, the **29th June, 2004** at 11.00 A.M. to transact the following business:

1. To consider and adopt the Profit & Loss Account for the year ended 31st March, 2004 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 D D Binani 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

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

   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, 2004 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 5th February, 2004 entered into between the Company and Shri Kamal Prasad Mundhra.

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By Order of the Board
For ALBERT DAVID LIMITED

(INDRAJIT DHAR)
Company Secretary

Registered Office :
15, Chittaranjan Avenue
Kolkata - 700 072
Dated : 13th May, 2004

NOTES :

1. An explanatory Statement under section 173(2) of the Companies Act 1956 in respect of special Business of the meeting and in pursuance to clause 49 of the listing agreement, brief particulars of the appointment of Directors, are annexed hereto.
2. 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.
3. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 22nd June, 2004 to 29th June, 2004, both days inclusive.
4. The dividend as recommended by the Board of Directors, if approved at the meeting, will be made payable on or after 3rd July, 2004, to those Members whose names appear on the Register of Members of the Company on 29th June, 2004, or to their mandates, to the extent eligible and also to beneficial owners of equity shares held in the electronic form on the same date as per details furnished by the Depositories for this purpose.

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NOTICE (Contd.)

4. Members holding shares in physical form are requested to notify immediately changes, if any, in their registered address and bank particulars, to Company's Registrar & Share Transfer Agent, at the below-mentioned address quoting their Folio Numbers:-

   M/s. Maheshwari Datamatics Pvt. Ltd.
   6, Mangoe Lane, 2nd Floor, Kolkata - 700 001
   Tel. No. # 2243-5809/2243-5029
   Fax No. # 2248-4787
   E-Mail Id # mdpl@cal.vsnl.net.in

   In case shares are held in electronic form, these informations should be passed on directly to their respective Depository Participant (DP).

5. Pursuant to Section 205A and 205C of the Companies Act, 1956 all unclaimed dividends upto the year ended 31st March, 1996 have been transferred to the account of appropriate authority of the Central Government.

   Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2000, 31st March, 2001, 31st March, 2002 & 31st March, 2003, are requested to make their claims to the Company.

6. 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 Registrar & Share Transfer Agent of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No.5

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Shri Kamal Prasad Mundhra was re-appointed as Wholetime Director designated as Executive Director of the Company with effect from 1st April, 2002 upto 31st March, 2004 which was approved by the Shareholders in the meeting held on 27th July, 2002. The said term of his appointment expired on 31st March, 2004. In consideration of excellent and valuable services being rendered by Shri KP Mundhra to the Company, the Board of Directors, at its meeting held on 22nd January, 2004 have, subject to your approval re-appointed him as Wholetime Director designated as Executive Director for a period of two years with effect from 1st April, 2004 on the terms and conditions set out in an Agreement dated 5th February, 2004. The terms of remuneration of Shri Kamal Prasad Mundhra as Executive Director were recommended by the Members of Remuneration Committee of the company and 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:-

1) SALARY :

Rs.1,10,000/- (Rupees One Lac Ten Thousand only) per month for the period from 1st April, 2004 to 31st March, 2005 and thereafter from 1st April, 2005 Rs.1,30,000/- (Rupees One Lac Thirty Thousand only) per month.

2) PERQUISITES :

Shri Kamal Prasad Mundhra 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

Expenses incurred for self and family in accordance with the Rules of the Company.

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NOTICE (Contd.)

iv) Club Fees

Fee of two clubs which will not include admission and life membership fee.

v) Insurance Premium

In accordance with the Rules of the Company.

vi) Ex-Gratia/Bonus

In accordance with the Rules of the Company.

vii) Provident Fund

Contribution to Provident Fund in accordance with the Rules of the Company to the extent it is not taxable under the Income Tax Act.

viii) 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.

ix) Leave Encashment

Encashment of leave in accordance with the Rules of the Company.

x) 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.

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

A copy of the Agreement dated 5th February, 2004 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.

None of the Directors other than Shri Kamal Prasad Mundhra is 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 : 13th May, 2004

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NOTICE (Contd.)

Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting
(In pursuance to Clause 49 of the Listing Agreement)

Name of Director	Date of Birth	Date of Appointment	Expertise in specific Functional areas	Qualification	List of Public Companies in which outside Directorships held as on 31st March, 2004	Chairman/Member of the Committee of the Board of Public Companies on which he is a Director as on 31st March, 2004
Shri D D Binani	25-03-1945	29-01-1985	Rich experience of Chemical and allied industries and financial matters	B.E.(Chemical)	Binani Brothers (P) Ltd. Cossipore Rolling Mills (P) Ltd. Anupam Products Ltd. Sitaram Development Co. Ltd. Bikaner Commercial Co. Ltd. Mangalam Mercantile Co. Ltd. Shree Bhawani Investment & Trading Co.Ltd.	Shree Bhawani Investments & Trading Co. Ltd. *(Member - Audit Committee)* *(Member - Shareholders' Grievance Committee)*
Shri Hemal Kampani	10-04-1957	11-03-1993	More than 25 years' experience in Primary & Secondary Market and vast experience in Financial Matters.	B.Com.	VCK Capital Market Services Ltd. VCK Share & Stock Broking Services Ltd. VCK Investments Pvt. Ltd. VCK Forex Services Pvt. Ltd.	VCK Capital Market Services Ltd. *(Member - Shareholders' Grievance Committee)*
Shri K P Mundhra	17-11-1944	30-09-1992	Vast Managerial and administrative experience in Pharmaçeutical Industry.	M.Sc.(Hons)	The Pharmaceutical Form Fill Seal Association of India	–

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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, 2004.

FINANCIAL RESULTS :

	Rs. (in Lacs)	Rs. (in Lacs)
Gross Profit for the year		1440.74
Less : Depreciation		346.71
Net Profit before Tax		1094.03
Less : Provision for Taxation		
Current Tax	367.00	
Deferred Tax	1.71	368.71
Net Profit after Tax		725.32
Add : Balance brought forward from previous year		174.43
		899.75
Less : Proposed Dividend	114.14	
Corporate Dividend Tax	14.63	
Transfer to General Reserve	600.00	728.77
Balance Carried Forward		170.98

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WORKING RESULTS :

During the year under review, your Company achieved a turnover of Rs.11572.35 Lacs and recorded a Gross Profit of Rs.1440.74 Lacs as compared to previous year's turn-over of Rs.10505.94 Lacs and Gross Profit of Rs.1138.40 Lacs registering a growth of 10.15% and 26.56% respectively. Your Company's improved performance every year has been made possible through a continued focus on profit generating products and constant team efforts towards overall effective cost management.

As reported in the previous year's report, new products such as *Alamin-FeZ* and *Pansure* were introduced which have been well accepted by the medical profession across the country.

During the current year, it has been planned to extend and strengthen the existing product portfolio and plan for entering into new Therapeutic segments having high business volume and growth potential.

DIVIDEND :

Your Directors recommend payment of dividend @ 20% on Equity shares of the Company.

FIXED DEPOSIT :

During the year the Company accepted fixed deposits and the balance of the fixed deposit as on 31st March, 2004 was Rs.389.25 Lacs. There has not been any unclaimed deposit outstanding as on 31st March, 2004.

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 alongwith proper explanation relating to material departures, if any ;

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DIRECTORS' REPORT (Contd.)

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 :

Your Company continued to lay great emphasis on the importance/significance to good corporate governance as an important step towards building Investors' confidence, improving Investors' protection and maximising long term shareholder value. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Compliance Report on the Corporate Governance forms part of the Annual Report alongwith Auditors' Certificate on its compliance.

Management Discussion and Analysis of Financial Condition and Results of Operations of the Company for the year under review is given as a separate statement in the Annual Report.

DIRECTORS :

Subject to your approval the Board had re-appointed Shri Kamal Prasad Mundhra as Wholetime Director designated as Executive Director of the Company for a further period of two years with effect from 1st April, 2004. A resolution seeking shareholders' approval for his re-appointment is placed before the shareholders for consideration at the forthcoming Annual General Meeting.

Shri D D Binani and Shri Hemal Kampani retire from the Board by rotation and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

A brief profile of the above Directors seeking re-appointment required under Clause 49 of the Listing Agreement is given in the Notice of AGM.

LISTING OF SHARES :

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 & Company, 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

Kolkata
Dated : The 13th May, 2004

A. K. KOTHARI
Chairman

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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.

The Company has competent energy conservation task force which is actively monitoring and taking steps to reduce energy consumption.

b) Additional Investment & proposal, if any, being implemented for reduction of consumption of energy.

i) Replacement of inefficient machine and electronic devices consuming more energy.

ii) Brought awareness at Units about the need to conserve electricity and lubricants for reduction in consumption of energy.

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 measures taken have resulted in reduction of energy consumption per unit of production. Energy cost compared to total proportion of cost of production remained insignificant.

FORM - A

POWER & FUEL CONSUMPTION :

		Current Year	Previous Year
1. Electricity :			
i) **Purchased :**			
Units	'000 kwh	4993	4984
Total Amount	Rs. Lacs	243.77	227.17
Rate/Unit	Rs.	4.88	4.56
ii) **Own Generation :**			
Through Own Generator			
Units	'000 kwh	1597	1855
Unit per litre of Diesel Oil		3.48	3.37
Rate / Unit	Rs.	5.53	5.31
2. Coal :			
Quantity	M.T.	132.40	705.15
Total Cost	Rs. Lacs	3.60	16.80
Average Rate	Rs.	2719.00	2382.00
3. Furnace Oil / L.D.O. :			
Quantity	K.L.	1411.48	1064.36
Total Cost	Rs. Lacs	233.88	161.84
Average Rate	Rs.	16569.84	15205.38

B. Technology Absorption :

a) ***Research & Development (R & D) :***

R&D is carried out on a regular basis in different divisions for new product development and improvement in the quality of the existing products.

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

i) Manufacturing process improvement.

ii) Help in developing new products to commercial scale of Industry.

iii) Improvement in the quality of existing products.

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