



ADDS LIFE TO LIFE

ALBERT
DAVID

Albert David Limited
Annual Report 2010 - 2011

In pursuit of excellence



Giving birth to new initiatives, Albert David Ltd is aiming to build an illustrious future for all stake holders. The saga of providing high quality affordable medicines continues to leave an impression that symbolizes excellence and care for mankind.

DIRECTORS : Sri A. K. Kothari *Chairman & Managing Director*
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) & C.F.O.
Dr. M. K. Maheshwari
Vice President (Personnel & Legal Affairs)
Dr. D. P. Ghosh
Corporate Head - Technical & Scientific Development
Sri Manish Sharma
General Manager (Marketing)
Sri P. K. Jain
Vice President (Works), Kolkata
Dr. G. P. Srivastava
Vice President (Technical), Kolkata
Sri M. K. Rathie
*Vice President (Works cum Factory Manager),
Ghaziabad*
Sri D. Chitlangia
General Manager (Commercial), Ghaziabad
Sri V. K. Chaudhary
General Manager (Technical), 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 SEVENTY-SECOND Annual General Meeting of the Shareholders of the Company will be held at **BENGAL CHAMBER OF COMMERCE & INDUSTRY**, 6, Netaji Subhas Road, Kolkata-700001 on **Friday, the 5th August, 2011 at 11.30 A.M.** to transact the following business :

AS ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint Directors in place of Mr. P L Agarwal and Mr. A V Iyengar who retire by rotation and being eligible, offer themselves for re-appointment.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

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

5. **RESOLVED** that pursuant to the provisions of Section 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 and within the overall limits laid down in Schedule-XIII of the Companies Act, 1956, the company hereby approves and accords its consent to increase the remuneration payable to Mr. K P Mundhra, Executive Director of the company for the residual period of his present term i.e. From 1st April, 2011 to 31st March, 2012 in the manner and to the extent set out in the Explanatory Statement annexed to this Notice.

FURTHER RESOLVED that notwithstanding the above, in the event of any loss or inadequacy of profit in the financial year of the company during the tenure of Mr. K P Mundhra Executive Director, the remuneration payable to him shall be in accordance with the limits prescribed in Section-II, Part-II of Schedule-XIII of the Companies Act, 1956 as amended from time to time subject to the compliance of provisions thereof.

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary to give effect to the above resolutions.

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

6. **RESOLVED** that pursuant to the provisions of section 198, 269, 309 and 310 read with Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, the Company hereby approves and accords its consent for the re-appointment of Mr. A K Kothari, as Chairman & Managing Director of the company, not liable to retire by rotation for a period of one year with effect from 1st July, 2011 to 30th June, 2012 on the terms and conditions including remuneration, perquisites and benefits as set out in the Explanatory Statement annexed to this notice.

FURTHER RESOLVED that notwithstanding the above, in the event of any loss or inadequacy of profit in any financial year of the company during the tenure of Mr. A K Kothari, Chairman & Managing Director, the remuneration payable to him shall be in accordance with the limits prescribed in Section-II, Part-II of Schedule-XIII of the Companies Act, 1956 as amended from time to time subject to the compliance of provisions thereof.

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary to give effect to the above resolutions.

By Order of the Board
For ALBERT DAVID LIMITED

Registered Office :
15, Chittaranjan Avenue
Kolkata - 700 072
Dated : 30th May, 2011

(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 Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 2nd August, 2011 to Friday, the 5th August, 2011 , both days inclusive.
3. The dividend as recommended by the Board of Directors, if approved at the meeting, will be made payable on or after 9th August, 2011 to those Members whose names appear on the Register of Members of the Company on 5th August, 2011 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.
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. # (033) 2243-5809/2243-5029
Fax No. # (033) 2248-4787
E-Mail Id # mdpl@cal.vsnl.net.in

In case shares are held in electronic form, these information 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, 2003 have been transferred to the account of appropriate authority of the Central Government.
Unclaimed dividend for the year ended 31st March, 2004 shall be transferred to the account of Central Government during the year. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2004, 31st March, 2005, 31st March, 2006, 31st March, 2007, 31st March 2008, 31st March, 2009 and 31st March, 2010 are requested to make their claims to the Company.
6. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the company at least one week before the date of the meeting. This would enable the Company to compile the information and provide replies at the meeting.

Important Communication to Members

The Ministry of Corporate Affairs has taken "Green Initiatives" by allowing paperless compliance of serving documents through electronic mode (e-mail) including annual report. Members are requested to send back registration slip kept with the Annual Report for registration of their e-mail id as mentioned in our letter.

EXPLANATORY STATEMENT PURSUANT TO**SECTION 173 OF THE COMPANIES ACT, 1956****Item No. 5**

Mr. 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, 2010 to 31st March, 2012 which was approved by the Shareholders in the meeting held on 3rd July, 2010. Mr. Mundhra's remuneration was fixed for the first year i.e., from 1.4.2010 to 31.3.2011 only.

In view of excellent contribution made by Mr. Mundhra towards the growth of the company, the Board of Directors, at its meeting held on 30th May, 2011, as per the recommendation of the Remuneration Committee, have considered revising remuneration of Mr. K P Mundhra, Executive Director of the company from 1st April, 2011 to 31st March, 2012, subject to the approval of shareholders of the company. The revised remuneration of Mr. K P Mundhra is set out in a Supplemental Agreement being executed by the company and Mr. K P Mundhra. The terms of remuneration of Mr. K P Mundhra as Executive Director are in accordance with Schedule XIII of the Companies Act, 1956.

An abstract of remuneration payable to Mr. K P Mundhra from 1.4.2011 to 31.3.2012 as Executive Director of the Company under the Supplemental Agreement is given below :-

REMUNERATION :

- i) Salary : Rs. 3,70,000/- (Rupees Three Lacs Seventy Thousand only) per month for the period from 1st April, 2011 to 31st March, 2012.
- ii) Perquisites : Apart from salary Mr. K P Mundhra will also be entitled to the perquisites classified into the following three parts viz. Part A, B and C.

PART-A

- i) Housing - The company shall provide rent-free furnished accommodation. In case no accommodation is provided by the company, the Executive Director shall be entitled to House Rent Allowance limited to 8% of his salary.
- ii) Medical Reimbursement and Leave Travel Concession : The Executive Director shall be reimbursed to the extent of 10% of the salary towards expenses incurred for self and family for Medical Expenses and Leave Travel Assistance as per the Rules of the company.
- iii) Fee of Clubs : Upto a maximum of two clubs. This will not include any admission or life membership fees.
- iv) Personal Accident Insurance/Life Insurance : Premium not exceeding Rs.15,000/- per annum.
- v) Ex-Gratia/Bonus : In accordance with the Rules of the Company.

PART-B

- i) Company's contribution to Provident Fund as per the Rules of the Company.
- ii) Gratuity on retirement at the rate of half month's salary for each completed year of service subject to the ceiling as provided in law.
- iii) Leave with full pay : Encashment of leave will be permitted as per the Rule of the Company.

PART-C

- i) Expenses relating to use of Car for Company's business. Any use of car for private purpose will be valued as per Income Tax Rules, 1962.
- ii) Free telephone facility at residence.

In the event of absence or inadequacy of profits during the period of service, the Executive Director shall be entitled to the salary and perquisites within overall limits prescribed under Part-II of Section-II of Schedule-XIII of the Companies Act, 1956.

A copy of the Supplemental Agreement 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 Mr. K P Mundhra is concerned or interested in the aforesaid revision in remuneration.

Considering the valuable contribution of Mr. K P Mundhra in the growth of the company, the Board recommends passing of the above resolution as a special resolution.

Item No. 6

Mr. A K Kothari was appointed as Chairman & Managing Director of the Company for a period of three years with effect from 1st July, 2008 to 30th June, 2011 which was approved by the Shareholders in the meeting held on 31st July, 2008.

In view of excellent contribution made by Mr. Kothari towards the growth of the company, the Board of Directors, at its meeting held on 30th May, 2011 have re-appointed him as Chairman & Managing Director for a period of one year with effect from 1st July, 2011 to 30th June, 2012 subject to the approval of shareholders of the company, on the remuneration as recommended by the Remuneration Committee and on the terms and conditions as per Agreement being executed by the company and Mr. A K Kothari. The terms of remuneration of Mr. A K Kothari are in accordance with Schedule XIII of the Companies Act, 1956.

An abstract of the terms of re-appointment and remuneration payable to him as Chairman & Managing Director of the Company under the Agreement is given below :-

REMUNERATION :

- i) Salary : Rs. 3,75,000/- (Rupees Three Lacs Seventy five thousand only) per month for the period from 1st July, 2011 to 30th June, 2012.

- ii) Perquisites : Apart from salary Mr. A K Kothari will also be entitled to the perquisites classified into the following three parts viz. Part A, B and C.

PART-A

- i) Housing - The company shall provide rent-free furnished accommodation. In case no accommodation is provided by the company, the Chairman & Managing Director shall be entitled to House Rent Allowance limited to 8% of his salary.
- ii) Medical Reimbursement and Leave Travel Concession : The Chairman & Managing Director shall be reimbursed to the extent of 10% of the salary towards expenses incurred for self and family for Medical Expenses and Leave Travel Assistance as per the Rules of the company.
- iii) Fee of Clubs : Upto a maximum of two clubs. This will not include any admission or life membership fees.
- iv) Personal Accident Insurance/Life Insurance : Premium not exceeding Rs.15,000/- per annum.
- v) Ex-Gratia/Bonus : In accordance with the Rules of the Company.

PART-B

- i) Company's contribution to Provident Fund as per the Rules of the Company.
- ii) Gratuity on retirement at the rate of half month's salary for each completed year of service subject to the ceiling as provided in law.
- iii) Leave with full pay : Encashment of leave will be permitted as per the Rule of the Company.

PART-C

- i) Use of Car for Company's business. Any use of car for private purpose will be valued as per Income Tax Rules, 1962.
- ii) Free telephone facility at residence.

In the event of absence or inadequacy of profits during the period of service, the Chairman & Managing Director shall be entitled to the salary and perquisites within overall limits prescribed under Part-II of Section-II of Schedule-XIII of the Companies Act, 1956.

The Chairman & Managing 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 will set out the mutual rights and obligations of the Company and the Chairman & Managing 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 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.

Other than Mr. A K Kothari and Mr. D D Binani, none of the Directors is concerned or interested in the aforesaid reappointment and remuneration.

Considering the valuable contribution of Mr. A K Kothari in the growth of the company, the Board recommends passing of the above resolution as a special resolution.

Registered Office :
15, Chittaranjan Avenue
Kolkata - 700 072
Dated : 30th May, 2011

By Order of the Board
For ALBERT DAVID LIMITED

(INDRAJIT DHAR)
Company Secretary

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 other Companies in which Directorships held as on 31 st March 2011 *	Chairman / Member of the Committee of the Board of other Companies on which he is a Director as on 31 st March 2011
Shri A K Kothari	10-07-1953	20-06-1988	Rich experience in the field of pharmaceuticals, chemicals, tea, textiles, machine tools etc.	B. Com	Bhaktiwal Investments Ltd. Claro India Ltd. Gillanders Arbuthnot & Co. Ltd. Kothari Phytochemicals & Industries Ltd. Vishnuhari Investments & Properties Ltd. Bharat Fritz Werner Ltd. Indian Glass & Electricals Ltd. Arvind Engineering Works Ltd.	Gillanders Arbuthnot & Co. Ltd. (Member-Audit Committee & Quarterly Results Approval Committee) Kothari Phytochemicals & Industries Ltd. (Member - Audit Committee)
Shri P L Agarwal	02-04-1942	15-09-1984	Senior Partner of a reputed Firm of Solicitors & Advocates with vast experience in legal and allied matters.	B.Com., LLB, Attorney-at-Law	Agre Developers Ltd. Dhunsari Investments Ltd. Dharampal Prenchand Ltd. DIC India Ltd. Karamchand Thapar & Bros. (Coal Sales) Ltd. Rossell Tea Ltd. The Oodlabari Co. Ltd. Hilland Projects Ltd.	Agre Developers Ltd. (Chairman - Audit Committee) (Member - Shareholders'/Investors' Grievances Committee) Dhunsari Investments Ltd. (Member - Shareholders'/Investors' Grievances Committee) DIC India Ltd. (Chairman - Shareholders'/Investors' Grievances Committee) Rossell Tea Ltd. (Member - Remuneration Committee) The Oodlabari Company Ltd. (Member - Remuneration Committee)
Shri A V Iyengar	10-08-1938	31-10-2002	Overall rich managerial and administrative experiences especially in pharmaceutical industry. Retired as Managing Director of Organon (India) Ltd.	Chartered Accountant, Chartered Secretary (London), Company Secretary (India)	Tega Industries Ltd. Besco Limited, Jardine Henderson Ltd. Maple Orgtech (India) Ltd. Marudhar Food & Credit Ltd. MMAqua Technologies Ltd. VCK Capital Markets Ltd.	Tega Industries Ltd. (Member - Audit Committee)

Note : None of the above Directors are holding shares of the company except Mr. AK Kothari who is holding 93000 equity shares of the company.
* Excluding Private Limited Companies and Companies registered under Section 25 of the Companies Act, 1956.

Registered Office :
15, Chittaranjan Avenue
Kolkata - 700 072
Dated : 30th May, 2011

By Order of the Board
For ALBERT DAVID LIMITED

(INDRAJIT DHAR)
Company Secretary

directors' report

TO THE SHAREHOLDERS

Ladies & Gentlemen,

Your Directors have pleasure in presenting their report on the working of the Company alongwith the Audited Accounts for the year ended 31st March, 2011

FINANCIAL RESULTS :

	Rs. (in Lacs)	Year ended 31-03-2011 Rs. (in Lacs)	Rs. (in Lacs)	Year ended 31-03-2010 Rs. (in Lacs)
Gross Profit for the year		2637.12		2476.43
Less : Depreciation		<u>996.41</u>		<u>904.83</u>
Profit before tax		1640.71		1571.60
Less : Provision for Taxation				
Current	649.50		545.00	
Deferred	<u>(93.37)</u>	<u>556.13</u>	<u>(0.80)</u>	<u>545.80</u>
Net Profit		1084.58		1027.40
Add : Balance brought forward from previous year		450.02		422.09
Less : Proposed Dividend	256.82		256.82	
Corporate Dividend Tax	41.66		42.65	
Transfer to General Reserve	<u>700.00</u>	<u>998.48</u>	<u>700.00</u>	<u>999.47</u>
Balance Carried Forward		536.12		450.02

WORKING RESULTS :

During the year under review, your Company achieved net Sales of Rs. 21849.48 Lacs and recorded a Gross Profit of Rs.2637.12 Lacs compared to previous year's net Sales of Rs.20295.79 Lacs and Gross Profit of Rs.2476.43 Lacs registering a growth of 7.66% and 6.49% respectively over the last year.

As reported in the last year, your company has successfully launched uterine tonic-Siocare and Laxative combination-Evict Fibre and has also expanded its Anti-inflammatory & Analgesic range with launch of Anaflam XP.

During the current financial year, your company plans to launch L-Arginine Sachets, Ursodeoxycholic Acid & Silymarin combination, Calcium preparation and a number of other new products.

The financial results for the year would have been much better but for prohibition on manufacture and sale of Company's flagship product 'Placentrex' imposed by the Govt. Authorities w.e.f. 10th February, 2011 resulting in loss of sales and profit during the period from 10th February, 2011 to 31st March, 2011. Your company has filed a writ petition against this prohibition with Hon'ble High Court of New Delhi and the final verdict is awaited.

Your Directors are hopeful of further growth in sales and better financial performance during the current year.

DIVIDEND :

Your Directors have recommended payment of dividend of Rs. 4.50 per equity share of Rs. 10/- each for the financial year ended 31st March, 2011 amounting to Rs. 298.48 Lacs (inclusive of Corporate Dividend Tax of Rs. 41.66 Lacs).

FIXED DEPOSIT :

As on 31st March, 2011, an amount of Rs. 699.25 Lacs was outstanding as Fixed Deposit received from the public out of which matured amount of Rs. 21.80 Lacs (including accrued interest of Rs. 1.80 Lacs) remains unclaimed on the said date.