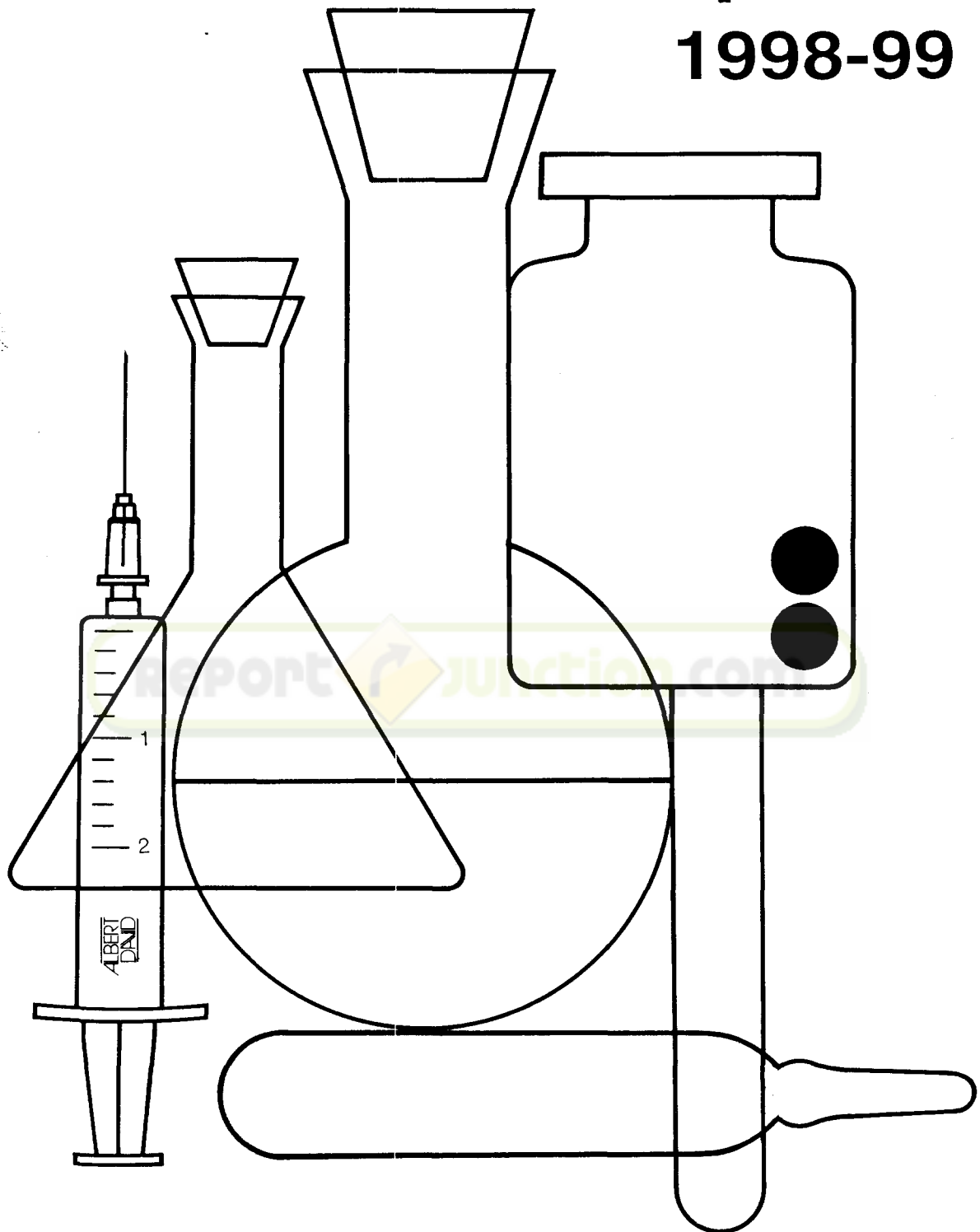


annual report

1998-99



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.)



notice

TO THE MEMBERS

NOTICE is hereby given that the SIXTIETH Annual General Meeting of the Shareholders of the Company will be held at **Gyan Manch Education Society**, 11, Pretoria Street, Calcutta 700 071 on Saturday, the 31st July, 1999 at 11.30 a.m., to transact the following business :

1. To consider and adopt the Profit & Loss Account for the year ended 31st March, 1999 and Balance Sheet as at that date together with Auditors' and Directors' Report thereon.
2. To appoint Directors in place of Sri A. K. Kothari and Sri P. L. Agarwal who retire by rotation and being eligible offer themselves for re-appointment.
3. To appoint Auditors and fix their remuneration.

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 16th July, 1999 to 31st July, 1999, both days inclusive.
3. Shareholders who have not so far encashed their Dividend Warrants for the Accounting Year ended 31st March, 1996 may immediately approach the Company for revalidation of unclaimed Dividend Warrants.
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. Shareholders 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 Shareholder is having more than one Folio, he/she is requested to intimate the Company for consolidation of Folios.

Registered Office :
15, Chittaranjan Avenue
Calcutta-700 072
Dated : the 29th May, 1999

By Order of the Board
For ALBERT DAVID LIMITED

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, 1999.

FINANCIAL RESULTS :

		Rs.
Gross Profit for the year		5,51,61,984
Less : Depreciation		3,45,57,135
Net Profit before Tax		2,06,04,849
Less : Provision for Income Tax	23,25,000	
Income Tax for earlier year	22,42,826	45,67,826
Net Profit after Tax		1,60,37,023
Add : Debenture Redemption Reserve written back		22,00,000
		1,82,37,023
Less : Balance brought forward from last year's account		1,61,03,057
Balance Carried Forward		21,33,966

WORKING RESULTS :

During the year under review, your Company achieved a turnover of Rs. 8742.36 Lacs and recorded a Gross Profit of Rs. 551.62 Lacs. As compared to previous year, the Company registered a sales growth of 23% and recorded an increase of 138.57% in the Profit. The turn-around and the improved performance have been achieved through a continued focus on increase in sales of profit generating products and efficiency in manufacturing and marketing operations. Export sales recorded a significant increase from Rs. 237.51 Lacs to Rs. 392.25 Lacs, an improvement of 65.15% compared to last year.

As reported in previous year's report several new

products such as NIMERIL Tablet/Suspension, SIOZOLE Caps., FERROCHELATE-Z Caps., 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 launch new products such as ALSTAT (Ethamsylate) – haemostyptic Tab/Inj., SIOBAN (Albendazole) – antihelmentic Tab. & Syrup and plans to introduce big volume building antibiotics such as AZITHROMYCIN, CLARITHROMYCIN, ROXITHROMYCIN, CEFOTAXIME, CEFTRIAXONE and a combination product of Amoxycilline & Clavulanic Acid. Your Directors are hopeful of improved performance during the current year.

DIVIDEND :

In order to conserve the resources for the working capital requirements, your Directors express their inability in recommending any dividend for the year under review.

STATUS ON THE Y2K PREPAREDNESS :

The Company has completed the Y2K compliance in consonance with the requirement for the year 2000.

DEBENTURES :

The 2nd instalment of Rs. 41,66,667/- being one third of the 1,25,000 - 14% Secured Non-Convertible Redeemable Debentures of Rs. 100/- each and a sum of Rs. 6,25,000/- being stipulated premium thereon has been paid on due date.

FIXED DEPOSIT :

During the year the Company accepted deposits and the balance of the deposit after refunds on maturity as on 31st March, 1999 was Rs. 277.16 Lacs. There has not been any unclaimed deposit as on 31st March, 1999.

AUDITORS' OBSERVATION :

The observation of the Auditors regarding Note No. 1 of Schedule 'Q' are self-explanatory.



DIRECTORS' REPORT (Contd.)

DISCLOSURE UNDER SECTION 217(2A) OF THE COMPANY 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 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 :

Sri S. K. Mandal, Nominee Director has been withdrawn by The Industrial Finance Corporation of India Limited w.e.f. 9th September, 1998. The Directors on the Board record their appreciation of the valuable services rendered by him during his association with the Company.

Sri A. K. Kothari and Sri P. L. Agarwal 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

Ghaziabad (U.P.)
Dated : the 29th May, 1999

A. K. KOTHARI
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY :**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) We are maintaining the requisite power factor by installing power capacitors to achieve a power factor of 0.9 or above.
- ii) Rearrangement of existing heating and lighting points.

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

- i) Pressure pumping system for Condensate return is being installed further to utilise the maximum condensate return as feedwater for boiler to increase the boiler efficiency.
- ii) Introducing Less energy consuming lighting system, like CFL to reduce the lighting load in the plant.

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

Energy conservation measures taken by the Company have resulted in improving additional efficiency with its consequential effect on the cost of production, subject however to the requirement of product mix.

Despite the above steps taken by the Company, the cost of production of energy has increased due to increase in the tariffs.

FORM - A**POWER & FUEL CONSUMPTION :**

		Current Year	Previous Year
1. Electricity :			
(i) Purchased :			
Units	'000 kwh	4620	3900
Total Amount	Rs. Lacs	201.93	153.85
Rate/Unit	Rs.	4.36	3.93
(ii) Own generation :			
Through Own Generator :			
Units	'000 kwh	1575	1506
Unit per litre of Diesel Oil		2.62	2.44
Rate/Unit	Rs.	4.41	4.13
2. Coal :			
Quantity	M.T.	903.80	1030.25
Total Cost	Rs. Lacs	17.62	18.65
Average Rate	Rs.	1950.00	1810.00
3. Furnace Oil :			
Quantity	KL	1776.72	1339.87
Total Cost	Rs. Lacs	102.40	92.14
Average Rate	Rs.	5763.43	6876.79

B. TECHNOLOGY ABSORPTION :**a) Research & Development (R & D) :**

Research & Development is carried out in different divisions on regular basis for improvement in the quality of its products at laboratory.



ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

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

During the year under review research and development activities has resulted in development and improvement of some of the new products viz. SIOZOLE CAPSULES (Enteric coated Omeprazole in bead form – anti Ulcer), FERROCHELATE-Z CAPSULES with Iron & Zinc and Folic Acid in sustained released formulations.

(c) Future plan of action :

Research and development is taken as a continuing activity and steps are being taken up to develop new products and further strengthen the laboratory with quality testing analytical devices wherever necessary. We are setting up capacity for ointment, cream, gel manufacturing facility. We have initiated R & D activities to introduce new products in next year such as :

- i) Siovit E soft gelatin Capsule of Vitamin E
- ii) Altone Forte soft gelatin Capsule of Vitamins & Minerals.
- iii) New Antibiotic Tablets and Injections (Clarithromycine, Cefatoxime and Ceftriaxone)

(d) Expenditure on R & D :

As per the established Accounting Policy expenditure incurred on R & D remains merged with the various heads.

C. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION :

The Company is keeping track of the latest development in the field of technology and continuous efforts are being made to procure and install latest equipment with the adoption of latest technology. Improvement in the quality is achieved which contributes to the control of cost as well as increase in the market demand of our products.

D. FOREIGN EXCHANGE EARNINGS & OUTGO :

There has been significant increase in export sales during the year. Further efforts are being taken to explore the possibility of increasing the exports in other developed export market.

Total Foreign Exchange earned and used :

	Year ended 31.03.1999 Rs. in Lacs.	Year ended 31.03.1998 Rs. in Lacs.
(i) Earnings :		
FOB value of exports (Including Deemed Export in Indian Currency Rs. 24.29 lacs)	392.25	237.51
Other Income (Freight & Insurance)	32.10	21.81
Claim Received	8.45	8.36
Interest Received	—	0.14
(ii) Expenditures :		
(a) CIF value of imports :		
Capital Goods	10.55	19.81
Raw Materials & Others	709.94	583.59
Spare Parts & Components	16.37	7.08
(b) Expenses in Foreign Currency :		
Travelling	4.65	5.19
Subscription	0.08	0.07
Interest	25.69	—
Exchange Fluctuations on Working Capital Demand Loan	16.42	—
Others	4.79	5.70

For and on behalf of the
Board of Directors

Ghaziabad (U.P.)
The 29th May, 1999

A. K. KOTHARI
Chairman