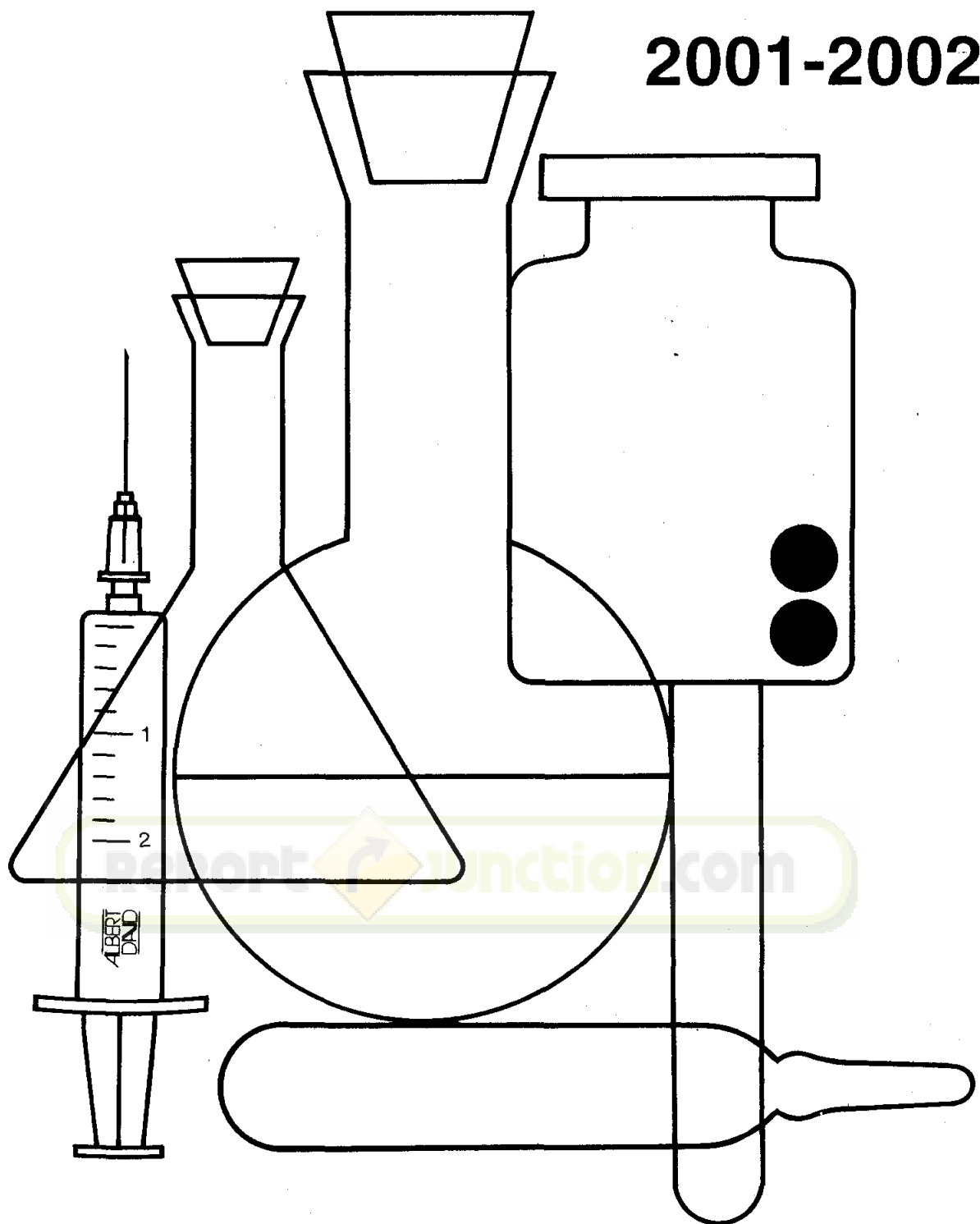


# annual report

2001-2002



## 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-THIRD Annual General Meeting of the Shareholders of the Company will be held at **Gyan Manch Education Society**, 11, Pretoria Street, Kolkata 700 071 on Saturday, the 27th July, 2002 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, 2002 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 A. K. Kothari 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, 2002 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 1st February, 2002 entered into between the Company and Shri Kamal Prasad Mundhra.

By Order of the Board  
For ALBERT DAVID LIMITED

INDRAJIT DHAR  
Company Secretary

Registered Office :  
15, Chittaranjan Avenue  
Kolkata-700 072  
Dated : The 10th June, 2002

### 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 16th July, 2002 to Saturday, the 27th July, 2002, both days inclusive.
3. The Directors recommend payment of Dividend for the year on 57,07,162 fully paid-up Equity Shares of Rs. 10/- each @ Rs. 1.60 per share (i.e. 16%), subject to deduction of tax at source, as applicable.

The dividend as recommended by the Board of Directors, if approved at the meeting, will be made payable on or after 31st July, 2002, to those Members whose names appear on the Register of Members of the Company on Saturday, the 27th July, 2002, 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.

As per the provisions of the Income Tax Act, 1961 and Income Tax Rules, no deduction of tax at source shall be made, if dividend payable to a resident individual shareholder does not exceed Rs. 1000/- during a financial year. Further no Income Tax will be deducted at source from dividend payable to individual resident shareholders, if declaration in Form No. 15G, in duplicate, (provided that the aggregate dividend amount distributed or paid or likely to be distributed or paid during the financial year does not exceed Rs. 50,000/- being the maximum amount not chargeable to tax) or a certificate of non-deduction of tax or deduction at lower rate from dividend issued by the Assessing Officer of the members in Form No. 15, is submitted to the Company on or before 16th July, 2002.

4. Members are requested to notify immediately Permanent Account Number (PAN) and the changes, if any, in their registered addresses alongwith PINCODE Number :-  
i) to their Depository Participants in respect of equity shares held in electronic form (Demat Account) ;  
and



## NOTICE (Contd.)

- ii) to the Company's Registered Office at 15, Chittaranjan Avenue, Kolkata-700 072 in respect of equity shares held in physical form.

Member (except non-residents) in whose case tax deduction at source is applicable on dividend payment, are requested to note that submission of Permanent Account Number (PAN) is mandatory and non-compliance of the same attracts penal consequences under the provisions of the Income Tax Act, 1961.

5. 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.

6. 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 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, 31st March, 2000 and 31st March, 2001 are requested to make their claims to the Company accordingly.

7. SEBI has made it mandatory for all the Companies to use the bank account details furnished by the Depositories for distributing dividends through Electronic Clearing Service (ECS) to the Investors wherever ECS and bank details are available. Currently ECS facility is available at locations specified by RBI. In case of shareholders staying at locations not currently covered by ECS, the bank account details will be used for suffixing along with the name of the shareholder on the Dividend Warrants. In view of the above :-

- i) Shareholders holding shares in physical form and desirous of availing the facility of Electronic Credit of dividend are requested to complete the ECS Form attached to this Annual report and forward

to the Company. In respect of locations not currently covered by ECS, bank account details as contained in ECS Form will be used by the Company to draw the dividend warrant payable accordingly, in future.

- ii) Shareholders holding shares in dematerialised form are requested to provide the Bank details to NSDL/CDSL, as the case may be, through their respective Depository Participants (DP). Shareholders are also requested to note that details/changes, if any, directly intimated to the Company or its Registrar will not be considered.

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 Wholtime Director designated as Executive Director of the Company with effect from 1st April, 2000 upto 31st March, 2002 which was approved by the Shareholders in the meeting held on 31st July, 2000. The said term of his appointment expired on 31st March, 2002. In consideration of excellent and valuable services being rendered by Shri K. P. Mundhra to the Company, the Board of Directors, at its meeting held on 28th January, 2002 have re-appointed him as Wholtime Director designated as Executive Director for a period of two years with effect from 1st April, 2002 on the terms and conditions set out in an Agreement dated 1st February, 2002 subject to your approval. The terms of 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 the Executive Director of the Company under the Agreement is given below :-

### A) SALARY :

Rs. 85,000/- (Rupees Eighty Five Thousand only) per month for the period from 1st April, 2002 to



## NOTICE (Contd.)

31st March, 2003 and thereafter from 1st April, 2003 Rs. 95,000/- (Rupees Ninety Five Thousand only) per month.

### B) PERQUISITES :

Shri Kamal Prasad Mundhra shall also be entitled to the following perquisites in addition to the above salary :-

- a) **Housing** : The Company will provide hired unfurnished accommodation to the Executive Director.
- b) **Medical Reimbursement** : Expenses incurred for self and family in accordance with the Rules of the Company.
- c) **Leave Travel Concession** : For self and family in accordance with the Rules of the Company.
- d) **Club Fees** : Fee of one club which will not include admission and life membership fee.
- e) **Personal Accident Insurance** : Premium not to exceed Rs. 5,000/- per annum.
- f) **Provident Fund** : Contribution to Provident Fund in accordance with the Rules of the Company.
- g) **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.
- h) **Leave Encashment** : Encashment of leave in accordance with the Rules of the Company.
- i) **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 ceiling 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 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 1st February, 2002 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 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 10th June, 2002



# 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, 2002.

### FINANCIAL RESULTS :

		Rs.
Gross Profit for the year		9,09,01,742
Less : Depreciation		<u>3,15,14,406</u>
Net Profit before Tax		5,93,87,336
Less : Provision for Taxation		
Current Tax	2,10,00,000	
Deferred Tax	<u>(10,49,446)</u>	<u>1,99,50,554</u>
Net Profit after Tax		3,94,36,782
Add : Balance brought forward from last year's account	1,66,15,880	
Investment Allowance Reserve written back	<u>3,589</u>	<u>1,66,19,469</u>
		5,60,56,251
Less : Proposed Dividend	91,31,459	
Transfer to General Reserve	<u>3,00,00,000</u>	<u>3,91,31,459</u>
Balance Carried Forward		<u>1,69,24,792</u>

### WORKING RESULTS :

During the year under review, your Company recorded a Sales Turnover of Rs. 9559.88 Lacs and Gross Profit of Rs. 909.02 Lacs compared to previous year's Sales Turnover of Rs. 8587.33 Lacs and Gross Profit of Rs. 665.38 Lacs, registering an increase of 11.33% and 36.62% respectively. The improved result has been achieved on account of significant increase in Export Sales and overall improvement in all the areas including manufacturing and Sales & Marketing operations. Export Sales recorded an increase from Rs. 645.47 Lacs to Rs. 1047.92 Lacs an improvement of 62.35% compared to last year.

During the last year PLACENTREX GEL, a new research product was successfully launched. The product has been very well accepted by the Medical fraternity. It is expected that during this current financial year the product will get firmly established in the market.

During the current financial year, a number of formulations have been planned for inclusion in the Company's product portfolio. INTECAR Capsules (for repair and regrowth of damaged cartilage), NIMERIL-T (NSAID with added muscle relaxant property), EVICT (for management of chronic constipation), ALROF (Cox-2 inhibitor for management of acute pain and osteoarthritis). Inclusion of these products will enable the Company to penetrate into wider therapeutic segment enhancing Company's business and its image as a vibrant pharma Company.

### DIVIDEND :

Your Directors recommend payment of dividend @ 16% 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, 2002 was Rs. 358.55 Lacs. There has not been any unclaimed deposit outstanding as on 31st March, 2002.

### 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 :

- in the preparation of the annual accounts, applicable accounting standards have been followed ;
- 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 ;
- 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 ;
- the Directors had prepared the annual accounts on a going concern basis.





## DIRECTORS' REPORT (Contd.)

### 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 Directors) Rules, 1988 are set out in Annexure forming part of this Report.

### DIRECTORS :

Subject to your approval the Board had re-appointed Shri K. P. Mundhra as Wholtime Director designated as Executive Director of the Company for a further period of two years with effect from 1st April, 2002. A resolution seeking shareholders' approval for his re-appointment is placed before the shareholders for consideration at the forthcoming Annual General Meeting.

Shri A. K. Kothari & Shri Hemal Kampani retire from the Board by rotation and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

### ADDITIONAL INFORMATION :

Your Directors are fully committed to implement all requirements of Clause 49 of the Listing Agreements of Corporate Governance in the current Financial Year.

As reported in the previous year's Report, an Audit Committee of Directors was constituted comprising of Shri A. K. Kothari, Shri P. L. Agarwal and Shri Rajiv Singhi and Shri Rajiv Singhi is the Chairman of the said Committee.

A Committee of Directors for Share Transfer/Rederessal of Shareholders' Grievances was also constituted comprising of Shri A. K. Kothari, Shri P. L. Agarwal, Shri K. P. Mundhra and Shri Hemal Kampani and Shri Hemal Kampani is the Chairman of the said Committee.

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

A. K. KOTHARI  
Chairman

Kolkata  
Dated : The 10th June, 2002



## ANNEXURE 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 to conserve energy are as under :-

- i) Installation of higher capacity manufacturing facility of syrup in oral liquid section.
- ii) Periodical and preventive maintenance of electrical equipments and optimum utilisation of electric energy.
- iii) Rearrangement of existing heating and lighting points.

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

- i) Installation of new Vapour absorption Cooling system to phase out old equipments of Vapour Compression AC System.

#### 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

		Current Year	Previous Year
<b>POWER &amp; FUEL CONSUMPTION :</b>			
<b>1. Electricity :</b>			
i) Purchased :			
Units	'000 kwh	4400	3912
Total Amount	Rs. Lacs	196.32	179.55
Rate/Unit	Rs.	4.46	4.59
ii) Own Generation :			
Through Own Generator			
Units	'000 kwh	2156	1948.12
Unit per litre of Diesel Oil		3.13	3.08
Rate/Unit	Rs.	5.10	4.55
<b>2. Coal :</b>			
Quantity	M.T.	967.10	937.90
Total Cost	Rs. Lacs	22.44	20.86
Average Rate	Rs.	2320.00	2224.11
<b>3. Furnace Oil/L.D.O. :</b>			
Quantity	K.L.	955.60	996.70
Total Cost	Rs. Lacs	134.54	134.37
Average Rate	Rs.	14079.32	13480.00

### B. TECHNOLOGY ABSORPTION :

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

Research and Development is being carried out on regular basis for development of new products and improvement of quality of the existing products.

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

During the year under review, research and development activities has resulted in development of some new products viz. *Placentrex Gel* (for management of wound, burns and vitiligo), *Alantox* (for increasing Cardiac efficiency and also an anti-oxidant), *Minvite Capsule* (Multivitamin with minerals), *Intecar Capsule* (for treatment of oesteoarthritis).





## ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

### c) Future plan of action :

Research and development has been considered as a continuous process and steps are being taken to develop some more new products. R & D for new products for topical application range in ointment/cream/gel form have been undertaken. R & D Department is being further strengthened with latest sophisticated instruments and equipments so that new generation of molecules can be formulated for assessment of their quality.

### 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 :

- i) By keeping track of latest development in the manufactory fields, efforts are continuously made to procure the latest technology.
- ii) Adoption of latest technology have contributed to the control of cost and improvement in the quality of the products.

### D. FOREIGN EXCHANGE EARNINGS & OUTGO :

The Company has developed in export markets and there has been significant increase in export sales during the year. Further efforts are being taken to explore the possibility of increasing the export to some other developed countries.

Total foreign Exchange earned & used :

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
<b>i) Earnings :</b>		
F.O.B. Value of exports (including deemed Export in Indian Currency Rs. 68.62 Lacs, Previous Year Rs. NIL)	1047.92	645.47
Claim Received	—	11.03
Other Income (Freight & Insurance)	76.82	73.52
<b>ii) Expenditures :</b>		
a) CIF Value of imports :		
Capital Goods	76.71	47.40
Raw Materials & Other	872.89	629.58
Spare Parts & Components	7.23	15.72
b) Expenses in Foreign Currency :		
Travelling	3.50	5.66
Subscription	0.09	0.08
Interest	71.23	113.57
Exchange Fluctuations on Working Capital Demand Loan	71.63	36.22
Others	25.94	25.55

For and on behalf of the  
Board of Directors

Kolkata  
Dated : The 10th June, 2002

A. K. KOTHARI  
Chairman