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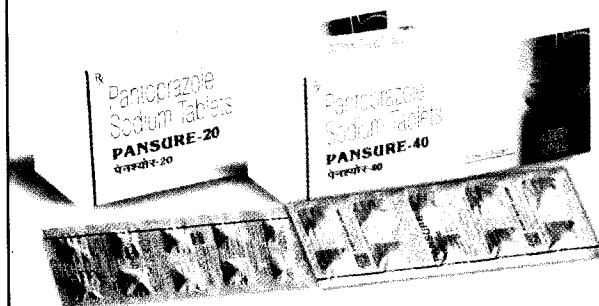
ANNUAL REPORT 2005-2006

**ALBERT  
DAVID**

Adds life to life



## forays into GI products



**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)*  
 Dr. M. K. Maheshwari  
*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*  
 Dr. Indrajit Dhar  
*Company Secretary*  
 Sri N. Maitra  
*Chief Financial Officer*

**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.)

ALBERT  
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# notice

## TO THE MEMBERS

**NOTICE** is hereby given that the SIXTY-SEVENTH Annual General Meeting of the Shareholders of the Company will be held at **GYAN MANCH**, 11 Pretoria Street, Kolkata-700071 **on Monday, the 31st July, 2006 at 3.00 P.M.** to transact the following business :

1. To consider and adopt the Balance Sheet as at 31st March, 2006 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint Directors in place of Shri P L Agarwal and Shri Rajiv Singhi 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 :-**

### 5. 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 Wholtime 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, 2006 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 6th February, 2006 entered into between the Company and Shri Kamal Prasad Mundhra.

### 6. AS AN ORDINARY RESOLUTION :

**RESOLVED** that in supersession of the Ordinary Resolution passed by the Company at its Annual General Meeting held on 28th September, 1989 and pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the consent of the company be and is hereby accorded to the Board of Directors, to borrow moneys from time to time upto a limit of Rs.150.00 Crores remaining outstanding at any time on account of principal from such person(s) and on such terms and conditions as the Board of Directors may think fit notwithstanding that the moneys to be so borrowed together with moneys already borrowed (apart from temporary loans obtained from the company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose.

By Order of the Board  
For ALBERT DAVID LIMITED

*Registered Office :*

15, Chittaranjan Avenue

Kolkata - 700 072

Dated : 5th June, 2006

( INDRAJIT DHAR )

*Company Secretary*

## NOTES :

1. An Explanatory Statement under section 173(2) of the Companies Act, 1956 in respect of special Business of the meeting and brief particulars of the re-appointment of Directors in pursuance to clause 49 of the Listing Agreement, 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.

**NOTES : (Contd.)**

3. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 25th July, 2006 to Monday, the 31st July, 2006, 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 4th August, 2006, to those Members whose names appear on the Register of Members of the Company on 31st July, 2006, 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.
5. 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).

6. 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, 31st March, 2004 and 31st March 2005 are requested to make their claims to the Company.
7. 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.

**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, 2004 upto 31st March, 2006 which was approved by the Shareholders in the meeting held on 29th June, 2004. The said term of his appointment expired on 31st March, 2006. 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, 2006 have re-appointed him as Wholtime Director designated as Executive Director for a period of two years with effect from 1st April, 2006 on the terms and conditions set out in an Agreement dated 6th February, 2006 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 such Executive Director of the Company under the Agreement is given below :-

**1) SALARY :**

Rs.1,50,000/- (Rupees One Lac Fifty Thousand only) per month for the period from 1st April, 2006 to 31st March 2007 and thereafter from 1st April 2007 Rs.1,70,000/- (Rupees One Lac Seventy 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**

For self and family in accordance with the Rules of the Company.

**iv) Club Fees**

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

**ALBERT  
DAVID****NOTES : (Contd.)**v) Personal Accident 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 and Mobile Phone for use on Company's business and telephone at his residence. Use of Car for private purpose and personal long distance calls on telephone / Mobile Phone 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 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 6th February, 2006 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.

**Item No. 6**

By a Resolution passed in the Annual General Meeting of the company held on 28th September, 1989, the shareholders had accorded their consent to the Board of Directors to borrow moneys in excess of the Capital and Free Reserves of the company upto Rs.50 crores apart from the temporary loans obtained from the company's bankers in the ordinary course of business. In view of the increased business activities as also of the modernisation-cum-expansion programme undertaken or to be undertaken by the company and to meet the financial requirements in respect thereof from time to time, the aforesaid limit is found to be inadequate. It is therefore proposed to increase the borrowing limit to Rs.150.00 crores for the smooth carrying on the business of the company. Hence the resolution is being proposed under Section 293(1)(d) of the Companies Act, 1956.

The Directors have no interest in the resolution other than as members of the company.

By Order of the Board  
For ALBERT DAVID LIMITED

( INDRAJIT DHAR )  
Company Secretary

Registered Office :  
15, Chittaranjan Avenue  
Kolkata - 700 072  
Dated : 5th June, 2006

**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 31st March, 2006	Chairman/Member of the Committee of the Board of other Companies on which he is a Director as on 31st March, 2006
Shri P L Agarwal	02-04-1942	15-09-1984	Senior Partner of a reputed Firm of Solicitors & Advocates with vast experience in legal & allied matters	B.Com, LL.B Attorney-at-Law	Dhunseri Tea & Industries Ltd Dharmapal Premchand Ltd Karamchand Thapar & Bros (Coal sales) Limited Rossell Tea Limited Tezpore Tea Co Limited The Oodlabari Co. Limited	Dhunseri Tea & Industries Ltd (Shareholders / Investors Grievances Committee) – Chairman Dhunseri Tea & Industries Ltd Member – Remuneration Committee Rossell Tea Limited (Member – Remuneration Committee) Tezpore Tea Co Limited (Member – Remuneration Committee) The Oodlabari Co. Limited (Member – Remuneration Committee)
Shri Rajiv Singhi	07-09-1961	30-06-1998	Senior Partner of a reputed firm of Chartered accountants having vast experience in Audit, Accounting and Financial matters	Chartered Accountant	Singhi Management & Financial Consultants Pvt Ltd Singhi Finlease Pvt Ltd Sungrace Suppliers Pvt Ltd Hirire Agencies Pvt Ltd Unistock Private Ltd J V & Sons Pvt Ltd	—
Shri K P Mundhra	17-11-1944	30-09-1992	Vast Managerial and administrative experience in Pharmaceutical Industry.	M.Sc.(Hons)	The Pharmaceutical Form Fill Seal Association of India	—

Note : None of the above Directors are holding shares of the company.



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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 Accounts for the year ended 31st March, 2006

## FINANCIAL RESULTS :

	Rs. (in Lacs)	Rs. (in Lacs)
Gross Profit for the year		1574.08
Less : Depreciation		387.38
Net Profit before Tax		1186.70
Less : Provision for Taxation		
Current Tax	360.00	
Deferred Tax	40.49	
Fringe Benefit Tax	44.50	444.99
Net Profit after Tax		741.71
Add : Balance brought forward from previous year		171.33
		913.04
Less : Proposed Dividend	142.68	
Corporate Dividend Tax	20.01	
Transfer to General Reserve	500.00	662.69
Balance Carried Forward		250.35

## WORKING RESULTS :

During the year under review, your Company achieved a net turnover of Rs.11680.85 Lacs and recorded a Gross Profit of Rs.1574.08 Lacs compared to previous year's net turnover of Rs.9486.10 Lacs and Gross Profit of Rs.1055.14 Lacs registering a growth of 23.14% and 49.18% respectively over the last year. The continued focus on profit generating products and consistent efforts towards effective cost management has resulted in improved and satisfactory bottomline.

During the year under review, Ghaziabad Unit of the company underwent upgradation and expansion. Installed capacity for manufacture of IV Fluids in Plastic Bottle have been increased to meet vibrant domestic and overseas demand. The Company's other manufacturing facilities are also under modernisation and expansion. First phase of the above programme has been completed during the year under review. The next phase is under implementation and expected to be completed during the current year. Total modernisation-cum-expansion programme undertaken during the year under review has resulted in capital expenditure to the tune of about Rs.1700.00 Lacs which has been partly financed by way of Term Loan from Bank and balance by way of internal generation.

Your Directors are hopeful that these steps would strengthen the existing facilities and facilitate in further growth in sales and profitability in coming years.

During the current year, your Company plans for inclusion of some new products such as SIOCARE (a gynaecological herbal product), PLACENTREX CREAM (human placenta extract for wound management), Drotaverine Tablets & Injectables (for management of smooth muscle spasm & colic pain) and range of Cough Syrups (for productive & non-productive cough for adults and children) in Company's product portfolio and it is expected that the initiatives taken on modernisation-cum-expansion and addition of new products should result in further growth in the current year.

## DIVIDEND :

Your Directors recommend payment of dividend @ 25 % 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, 2006 was Rs.384.00 Lacs. There has not been any unclaimed deposit outstanding as on 31st March, 2006.



**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 alongwith proper explanation relating to material departures, if any ;
- 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 :**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis Report forms part of the annual Report as an addition to the Directors' Report. Report on Corporate Governance alongwith Auditor's Certificate thereon is also annexed to the Directors' Report.

The Auditor's Certificate and the Corporate Governance Report in compliance with Clause 49 of the Listing Agreement are self-explanatory and do not require further elucidation. In accordance with the requirements of revised Clause 49 of the Listing Agreement, your Board has laid down and adopted the code of conduct for all its members and Senior Management Personnel of the company.

**DIRECTORS :**

Subject to your approval the Board had re-appointed Shri K P Mundhra as Wholetime Director designated as Executive Director of the Company for a further period of two years with effect from 1st April, 2006. A resolution seeking shareholders' approval for his re-appointment is placed before the forthcoming Annual General Meeting for consideration.

Shri PL Agarwal and Shri Rajiv Singhi 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 appointment/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 : 5th June, 2006

A K KOTHARI  
Chairman

## 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.**

Your Company continues to accord higher priority for conservation of energy on an ongoing basis. Some of the measures taken are as under :

- (i) On the basis of the Energy Audit carried out by NITRA, steps have been taken to implement the guidelines suggested in the Report.
- (ii) Installed automatic power factor improvement panel for attaining maximum power factor.
- (iii) Rearrangement of existing heating and lighting points.

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

Future plans include -

- (i) Installation of HT Line Voltage Stabilizer
- (ii) Pressure Reducing Stations
- (iii) Procurement of Energy Efficient Chillers & DG Sets.

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

Energy conservation measures stated above have resulted in gradual savings.

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

		Current Year	Previous Year
<b>1. Electricity :</b>			
<b>i) Purchased :</b>			
Units	'000 Kwh	5663	5207
Total Amount	Rs. Lacs	256.72	247.00
Rate/Unit	Rs.	4.53	4.74
<b>ii) Own Generation :</b>			
<i>Thru' own Generator</i>			
Units	'000 Kwh	1302	1641
Unit per litre of Diesel Oil		3.37	3.48
Rate/Unit	Rs.	8.00	6.51
<b>2. Furnace Oil/L.D.O. :</b>			
Quantity K.L.		1126.60	1375.95
Total Cost	Rs. Lacs	284.53	275.95
Average Rate	Rs.	25255.64	20055.23

**B. Technology Absorption :****a) Research & Development( R & D ) :**

Research & Development is carried out on a regular basis on new product development and improvement in quality of the existing products.

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

- i) Development of dermatological products and improvement in manufacturing process.
- ii) Development of Cream, Gel and Ointment for topical application.
- iii) Improvement in the quality of existing products.