



# **ALPHA DRUG INDIA LIMITED**

Report  junction.com

**16TH ANNUAL REPORT  
2002-2003**

## BOARD OF DIRECTORS

Shri G.N.Gupta \*\*

Shri Shalil Shroff \*\*\*

Shri Anil Kohli \*\*\*\*\*

Shri Jagdish R. Naik \*

Shri Avtar Singh \*

Shri Shashi Bhushan Budhiraja \*

Shri S.S.Tiwari \*

Shri Punit K. Abrol \*

Shri K L Khurana

Shri Ajay Mahajan (Nominee of PSIDC)

Dr. Nitya Anand \*\*\*\*\*

Shri Pardeep Gupta \*\*\*\*

Shri Kuldeep Kaul \*\*\*\*

\* Appointed as Additional Director.

\*\* Appointed as Additional Director and Chairman of the Board.

\*\*\* Appointed as Additional Director and Managing Director

\*\*\*\* Resigned as Director.

\*\*\*\*\* Resigned as Chairman and Director of the Board

\*\*\*\*\* Resigned as Managing Director and appointed as Additional Director

Note : All above appointments/resignations are effective from 10.07.2003

## COMPANY SECRETARY

Shri Dinesh Bhandari

## BANKERS

Punjab National Bank  
Sector 19-C, Chandigarh.

Allahabad Bank  
Sector 8, Madhya Marg, Chandigarh.

## ADMINISTRATIVE OFFICE

S.C.O. 417-418, Sector 35-C, Chandigarh - 160022

Phone : 0172-600955, 603120, 604127

E-mail : pcpl\_chd@satyam.net.in

Chairman

Managing Director

Director

Director

Director

Director

Director

Director

Director

Director

## AUDITORS

S.Tandon & Associates, Chartered Accountants  
SCO 201-203, Sector 34 A, Chandigarh.

## REGISTERED OFFICE & WORKS

Villages Kolimajra & Samalheri,  
P.O. Lalru, Distt. Patiala -140501  
(Punjab).

## BOMBAY OFFICE

Excel Estate, S.V. Road, Goregaon (W), Mumbai

Tel. : 022-8723865, 8723866,

Fax : 022-8725119, 8735743

Email : stschem@bom3.vsnl.net.in

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## NOTICE

Notice is hereby given that the 16th Annual General Meeting of the members of Alpha Drug India Limited will be held on Tuesday, the 9<sup>th</sup> September, 2003 at 10.00 a.m. at the Registered office of the Company at Villages Kolimajra & Samalheri, P.O. Lalru, Distt. Patiala-140501 (Pb.) to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit & Loss Account for the financial year ended 31<sup>st</sup> March, 2003 and the Balance Sheet as at that date, together with the Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Shri K L Khurana, who retires by rotation and, being eligible, offers himself for re-election.
3. To appoint Auditors of the Company to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 257 and Article 151 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 1956, Shri G.N.Gupta be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 257 and Article 151 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 1956, Shri Shalil Shroff be and is hereby appointed as a Director of the Company, not liable to retire by rotation."
6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 257 and Article 151 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 1956, Shri Jagdish R Naik be and is hereby appointed as a Director of the Company, liable to retire by rotation."
7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 257 and Article 151 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 1956, Shri Avtar Singh be and is hereby appointed as a Director of the Company, liable to retire by rotation."
8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 257 and Article 151 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 1956, Shri S.S.Tiwari be and is hereby appointed as a Director of the Company, liable to retire by rotation."
9. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 257 and Article 151 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 1956, Shri Shashi Bhushan Budhiraja be and is hereby appointed as a Director of the Company, liable to retire by rotation."
10. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 257 and Article 151 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 1956, Shri Punit K. Abrol be and is hereby appointed as a Director of the Company, liable to retire by rotation."
11. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 257 and Article 151 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 1956, Shri Anil Kohli be and is hereby appointed as a Director of the Company, liable to retire by rotation."
12. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Pursuant to Schedule XIII and other relevant provisions of the Companies Act, 1956, the appointment of Shri Shalil Shroff as the Managing Director of the Company for a period of five (5) years with effect from 10<sup>th</sup> July, 2003, without any remuneration for the time being, be and is hereby approved."
13. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:  
"RESOLVED THAT subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactments thereof for the time being in force and as may be enacted hereinafter), Securities Contract (Regulation) Act, 1956, and the Rules framed thereunder, Listing Agreements, Clause 6.1 of Securities & Exchange Board of India (Delisting of Securities) Guidelines, 2003 (issued under Section 11(1) of SEBI Act, 1992, read with sub-section (2) of Section 11A of SEBI Act) and subject to such approvals, permissions and sanctions, as may be necessary, the Board of Directors of the Company be and is hereby authorised to seek Voluntary Delisting of its equity shares listed at Ludhiana Stock Exchange Assn. Ltd. (LSE), The Calcutta Stock Exchange Assn. Ltd. (CSE), Ahmedabad Stock Exchange (ASE), and Delhi Stock Exchange Assn. Ltd. (DSE);  
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all necessary steps including approvals from such stock exchange/SEBI/and to comply with all the legal and procedural formalities laid down by the stock exchange, SEBI to give effect to the above said resolution."
14. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:  
"RESOLVED THAT pursuant to Section 31 & other applicable provisions of the Companies Act, 1956 as amended upto date, the Articles of Association of the Company be and are hereby altered in the following manner;



In the existing Article 2, i.e. Interpretation Clause, the existing clauses of definitions be and are hereby substituted as follows:

'New Clause of definition of Participant'

"Participant means Punjab Chemicals & Pharmaceuticals Limited, a Company registered under the Companies Act, and/or any of its affiliates."

'New Clause of definition of Affiliates'

"Affiliates means other associate companies & corporate bodies of Participant controlled by Punjab Chemicals & Pharmaceuticals Limited, Chandigarh."

By Order of the Board

Place: Lalru  
Date: 21.07.2003

Dinesh Bhandari  
Company Secretary

#### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. SUCH PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE LODGED AT THE COMPANY'S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The Register of Members and the Share Transfer Books will remain closed from 2<sup>nd</sup> September to 9<sup>th</sup> September, 2003 (both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956.
4. Members holding shares in physical form are requested to immediately notify change in their address to the Company's Share Transfer Agent, Alankit Assignments Limited, SCO 205-208, Anarkali Market, Jhandewalan Extension, New Delhi-110055.
5. Members holding shares in electronic form are requested to notify change in their address to their Depository Participant.
6. Since the Company's shares are in compulsory demat trading, to ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialise their shares at the earliest.
7. To avail the facility of nomination, Members may write to the Company for obtaining the Nomination Form (Form 2B).
8. Members/proxies are requested to bring their attendance slips duly filled in and their copy of the Annual Report in the Meeting.
9. Members intending to require information about the Accounts, to be explained at the Meeting are requested to inform the Company atleast a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
10. Information pursuant to Clause 49 VI (A) (a) & (c) of the Listing Agreement is required to be disclosed for the Directors, who are being re-appointed and the same is annexed.

#### EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

##### ITEM NO. 2

Shri K. L. Khurana (61 years) is a Non-Executive Director. He holds the master degree in Technology. He is not holding Directorship in any other body corporate. He has experience of more than 33 years in Pharmaceutical Industry. None of the Directors of the Company, except Shri K. L. Khurana, is in any way, concerned or interested in the passing of the resolution.

The Board recommends the passing of the proposed resolution.

##### ITEM NO. 4

Shri G.N. Gupta (71 years), is a Non-Executive & Independent Director. He is M.Sc. (Maths), LL.M., M.A. (Eng. Previous). He joined the Indian Revenue Service on 1.2.1954. He served in the Income Tax Department in various capacities and rose to the stature of Commissioner of Income Tax. He served as Deputy Secretary/Director in the Planning Commission from October, 1971 to September, 1977. He also functioned as Chairman, CBDT from July 1988 to July 1989. He remained a member of the Council of the Institute of Chartered Accountants of India. He is presently Director in Archana Airways Limited, Asian Fertilisers Limited, Desert Artisans Handicrafts Pvt. Limited, Flex Engineering Limited, Flex Foods Limited, Hiranyami Investments Pvt. Ltd., Manoj Housing Finance Co. Limited and Yash Papers Limited.

Shri G.N. Gupta was co-opted as Additional Director from 10<sup>th</sup> July, 2003 and holds office upto the ensuing Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956 the Company has received notice in writing from a member alongwith a deposit of Rs. 500/- proposing the Candidature of Shri G.N. Gupta for the office of a Director.

None of the Directors of the Company except Shri G.N. Gupta, is in any way, concerned or interested in this resolution.

The Board recommends the passing of the proposed resolution.

##### ITEM NO. 5

Shri Shail Shroff (38 years) is a diploma holder in Management from the College of Dupage-USA. He has a rich experience in Business Development, Export Marketing and Management. He is presently the Managing Director of Punjab Chemicals & Pharmaceuticals Ltd., Vice Chairman in STS Chemicals Limited, Chairman in EFTEC Shroff (India) Ltd., Director in HEM-SIL Trading & Manufacturing Private Ltd. & Director in Numet Aluminium Pvt. Limited.

Shri Shail Shroff was co-opted as Additional Director from 10<sup>th</sup> July, 2003 and holds office upto the ensuing Annual General Meeting.



In terms of Section 257 of the Companies Act, 1956 the Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Shri Shalil Shroff for the office of a Director.

None of the Directors of the Company, except Shri Shalil Shroff, Shri Avtar Singh, Shri S.S.Tiwari, Shri Punit K. Abrol, as Shri Avtar Singh & Shri Punit K. Abrol are officers of PCPL in which Shri Shalil Shroff is also the M.D., & further Shri Shalil Shroff, is Director in STS Chemicals Ltd., in which Shri S.S.Tiwari, Shri Avtar Singh are also Directors, is in any way, concerned or interested in this resolution.

The Board recommends the passing of the proposed resolution.

#### ITEM NO. 6

Shri Jagdish R. Naik (44 years) is a Non-Executive Director. He is a Practising Chartered Accountant. He was a partner in a reputed firm of Chartered Accountants of M/s S.V. Ghatalia & Associates for about nine years from 1983 to 1992. Currently, he advises many Companies on Corporate matters including Amalgamation, Demerger, Joint Ventures, Business Valuation, Income Tax and Company Law matters. He has been rendering services as Corporate Advisor to Excel Industries Ltd., Transpek Silox Industry Ltd. and Shah Granite Group of Companies. He has been Director on many Companies including Punjab Chemicals and Pharmaceuticals Ltd., Excel Crop Care Ltd., Transpek Marketing Ltd., etc.

Shri Jagdish R. Naik was co-opted as additional Director from 10<sup>th</sup> July, 2003 and holds office upto the ensuing Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956 the Company has received notice in writing from a member alongwith a deposit of Rs. 500/- proposing the Candidature of Shri Jagdish R. Naik for the office of a Director.

None of the Directors of the Company, except Shri Jagdish R. Naik, is in any way, concerned or interested in this resolution.

The Board recommends the passing of the proposed resolution.

#### ITEM NO. 7

Shri Avtar Singh (44 years) is a Non-Executive Director. He is Bachelor of Science. He is having working experience of more than 20 years in Chemicals, Pharmaceuticals, Intermediates & Agro Chemicals fields. He is presently a Whole Time Director in Punjab Chemicals & Pharmaceuticals Limited, & Director in STS Chemicals Limited & Saurav Chemicals Limited.

He is also a technical advisor to some leading Chemical manufacturing companies.

Shri Avtar Singh was co-opted as Additional Director from 10<sup>th</sup> July, 2003 and holds office upto the ensuing Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956 the Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the Candidature of Shri Avtar Singh for the office of a Director.

None of the Directors of the Company, except Shri Shalil Shroff, Shri Avtar Singh, Shri S.S. Tiwari, Shri Punit K. Abrol, as Shri Avtar Singh & Shri Punit K. Abrol are officers of Punjab Chemicals & Pharmaceuticals Limited in which Shri Shalil Shroff is a Managing Director and further Sh. Shalil Shroff and Shri S.S. Tiwari are Directors in STS Chemicals Ltd., in which Shri Avtar Singh is also Director, is in any way, concerned or interested in this resolution.

The Board recommends the passing of the proposed resolution.

#### ITEM NO. 8

Shri S.S.Tiwari (49 years) is a Non-Executive Director. He is Master of Science & diploma holder in Business Management. He is having experience of more than 25 years in technical & commercial field. He is Director in STS Chemicals Ltd. & Numet Industries Pvt. Ltd.

Shri S.S.Tiwari was co-opted as additional Director from 10<sup>th</sup> July, 2003 and holds office upto the ensuing Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956 the Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the Candidature of Shri S.S.Tiwari for the office of a Director.

None of the Directors of the Company, except Shri Shalil Shroff, Shri Avtar Singh, Shri Punit K. Abrol, as Shri Avtar Singh & Shri Punit K. Abrol are officers of Punjab Chemicals & Pharmaceuticals Limited in which Shri Shalil Shroff is the Managing Director, & further, Shri Shalil Shroff and Shri Avtar Singh is also Director in STS Limited, in which Shri S.S.Tiwari is a Director, is in any way, concerned or interested in this resolution.

The Board recommends the passing of the proposed resolution.

#### ITEM NO. 9

Shri Shashi Bhushan Budhiraja (72 years) is Non-Executive and Independent Director. He is B.Sc. (Honours), B E (Mechanical), Fellow of All India Institute of Management Association, Fellow of Institute of Management Consultant of India. He has served as the Managing Director in IBP, Indian Oxygen Limited. He has also served as Overseas Director in Al Futtaim Group, Dubai UAE. He is a Management Consultant and Sr. Advisor to the United Nations on Global Compact. He is on the Board of Balrampur Chini Mills Ltd., Calcutta, ALG Systel Ltd., Gurgaon and Neuland Laboratories Ltd., Hyderabad.

Shri Shashi Bhushan Budhiraja was co-opted as additional Director from 10<sup>th</sup> July, 2003 and holds office upto the ensuing Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956 the Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the Candidature of Shri Shashi Bhushan Budhiraja for the office of a Director.

None of the Directors of the Company, except Shri Shashi Bhushan Budhiraja, is in any way, concerned or interested in this resolution.

The Board recommends the passing of the proposed Resolution.

**ITEM NO. 10**

Shri Punit K. Abrol (48 years) is a Non-Executive Director. He is the fellow member of the Institute of Company Secretaries of India (ICSI), and holds the bachelor degree in Law. He has a experience of more than 22 years & presently working as a Vice President (Finance) & Secretary of Punjab Chemicals & Pharmaceuticals Limited. He is also active member of Northern India Regional Council of ICSI. He is not holding Directorship in any other body corporate.

Shri Punit K. Abrol was co-opted as Additional Director from 10<sup>th</sup> July, 2003 and holds office upto the ensuing Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956 the Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the Candidature of Shri Punit K. Abrol for the office of a Director.

None of the Directors of the Company, except Shri Punit K. Abrol, Shri Shalil Shroff, Shri Avtar Singh, as Shri Avtar Singh & Shri Punit K. Abrol are officers of Punjab Chemicals & Pharmaceuticals Limited in which Shri Shalil Shroff is a Managing Director, is in any way, concerned or interested in this resolution.

The Board recommends the passing of the proposed Resolution.

**ITEM NO. 11**

Shri Anil Kohli (50 years) is a Non-Executive & Independent Director. He is the fellow member of the Institute of Company Secretaries of India, and holds the bachelor degree in Law. He was the Managing Director of the Company upto 10<sup>th</sup> July, 2003. He is also Director in Alpha Employees Holding Pvt. Limited.

Shri Anil Kohli was co-opted as Additional Director from 10<sup>th</sup> July, 2003 after he stepped down from the post of the Managing Director of the Company. As Additional Director he holds office upto the ensuing Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956 the Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the Candidature of Shri Anil Kohli for the office of a Director.

The Board recommends the passing of the proposed Resolution.

**ITEM NO. 12**

Shri Shalil Shroff (38 years) is a diploma holder in Management from the College of Dupage-USA. He has a rich experience in Business Development, Export Marketing and Management. He is presently the Managing Director of Punjab Chemicals & Pharmaceuticals Limited, Vice Chairman in STS Chemicals Limited, Chairman in EFTEC Shroff (India) Limited, Director in HEM-SIL Trading & Manufacturing Private Ltd. & Director in Numet Aluminium Pvt. Limited.

He was appointed as an Additional Director by the Board of Directors on 10<sup>th</sup> July, 2003. The Board of Directors also unanimously approved his appointment as the Managing Director of the Company for a period of 5 years with effect from 10<sup>th</sup> July, 2003. He has himself indicated that he would not like to draw any remuneration for the time being from this Company. The Board thanked him for the same.

None of the Directors of the Company except Shri Shalil Shroff, Shri Avtar Singh, Shri S.S.Tiwari, Shri Punit K. Abrol, as Shri Avtar Singh & Shri Punit K. Abrol are officers of Punjab Chemicals & Pharmaceuticals Ltd. in which Shri Shalil Shroff is also the M.D., & further Shri Shalil Shroff, is Director in STS Chemicals Ltd., in which Shri S.S.Tiwari and Shri Avtar Singh is also Director, is in any way, concerned or interested in this resolution.

**The Notice & Explanatory statement may also be treated as an Abstract of the terms of appointment and remuneration as required to be circulated u/s 302 of the Companies Act, 1956.**

The Board recommends the Ordinary Resolution for approval of the members.

**ITEM NO. 13**

Presently, the Equity Shares of the Company are listed on the following 5 Stock Exchanges in India – LSE (Regional stock exchange), CSE, ASE, DSE & BSE.

Since the last few years, trading in equity shares of the Company on the LSE, CSE, ASE, DSE is rare and negligible & is disproportionate to the listing fees paid by the Company to the said Stock Exchanges in view of expansion of BSE. The extensive networking and extension of terminals to other cities by BSE have given access to on-line dealings in the Company's equity shares on such terminals across the Country. The Company has been spending considerable amount of money on listing fees, advertisement in newspapers in respect of various provisions of the Listing Agreements, facsimile communications, etc. with the said Stock Exchanges and no particular benefit is available to the shareholders of the Company by continuing the listing of the equity shares on the said Stock Exchanges.

In view of this, the Board of Directors of the Company on 10<sup>th</sup> July 2003 approved the voluntary delisting of Equity Shares from above mentioned stock exchanges, subject to the approval of shareholders.

In line with the SEBI Regulations & its Delisting Guidelines of 2003, Members' approval is being sought by a Special Resolution for voluntary delisting of the equity shares of the Company from the above said Stock Exchanges.

The proposed delisting of the equity shares from LSE, CSE, ASE, DSE, as and when takes place, will not adversely affect the investors. The equity shares will continue to be listed at Mumbai Stock Exchange (BSE) having nation wide terminals. The exact date on which delisting will take effect will be suitably notified at that time.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

The Board recommends the Special Resolution for approval of the members.



**ITEM NO. 14**

Punjab Chemicals & Pharmaceuticals Limited (PCPL) has now become the single largest shareholder of the Company by virtue of acquiring the entire shareholding of DSM Pharma Chemicals Venlo BV, Netherlands and acquiring shares under an open offer made to the public shareholders of the Company pursuant to the relevant Regulations of SEBI. The management of the Company has also been taken over by PCPL. Therefore, the amendments in the related Articles of Association are proposed at item No. 14 of this notice of the Company.

Shri Shaili Shroff, Managing Director, Shri Jagdish R. Naik, Shri Avtar Singh, Directors of the Company and Shri Punit K. Abrol, officer of the Company may be treated as concerned or interested in the passing of this resolution.

The Board recommends the Special Resolution for approval of the members.

**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY**

The basic philosophy of corporate governance in the Company is to achieve business excellence and enhance shareholders value, keeping in view the interest of its various stakeholders by short and long term actions.

**2. BOARD OF DIRECTORS**

The Composition of the Board of Directors and related information as on 31<sup>st</sup> March, 2003 is as follows :

Name of Directors	Category - Executive /Non-Executive /Independent Director	No. of Board Meetings Attended	Last AGM Attended Yes/No	Directorship in other Companies	No. of other Board Committee of which Member /Chairman
Dr.Nitya Anand	Non-Executive & Independent Director	2	No	Nil	Nil
Shri Anil Kohli	Managing Director	4	Yes	1	Nil
Shri Ajay Mahajan	Nominee Director	4	Yes	10	2
Shri KL Khurana	Non-Executive & Independent Director	4	Yes	Nil	Nil
Shri Pardeep Gupta	Non-Executive & Independent Director	3	Yes	2	1
Shri Kuldeep Kaul	Non-Executive & Independent Director	3	No	2	Nil

None of the Directors on the Board holds the office of Director in more than 15 companies or memberships of Committees of the Board in more than 10 committees or Chairmanship of more than 5 Committees across all Companies.

**Board Meetings Held during the year**

Four Board Meetings were held during the financial year 2002-03 on 01.04.2002, 13.09.2002, 27.12.2002 & 10.03.2003.

**3. COMMITTEES OF THE BOARD****A. Audit Committee**

The Audit Committee comprises of three members, all of whom are Non-Executive and Independent Directors. The Chairman of the Committee is Sh. K.L.Khurana, with Sh. Pardeep Gupta & Sh. Kuldeep Kaul as members. Sh.Anil Kohli, Managing Director, Sh. Manoj Ahuja, V.P.Commercial were invited to the Committee meetings during 2002-03. The Company Secretary acted as Secretary to the Committee.

**Terms of Reference of Audit Committee**

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.

The Committee met five times during the year under review, on 29.04.2002, 31.07.2002, 5.10.2002, 31.10.2002 & 28.01.2003. The Attendance of each member of the Committee is given below:

Name of Director	No. of meetings attended
Sh. K.L.Khurana	5
Sh. Pardeep Gupta	5
Sh. Kuldeep Kaul	3



## B. Remuneration Committee (Non-Mandatory Requirement)

The Board of Directors of the Company has constituted a Remuneration Committee, comprising of independent Directors namely Shri K.L.Khurana, as Chairman & Sh. Kuldeep Kaul as members. The Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing Director/Whole time Directors, based on performance and defined criteria.

The committee meeting was held only once on 5<sup>th</sup> October, 2002 to consider & approve the remuneration of the Managing Director.

## C. Shareholders /Investors Grievance Committee

The Board of Directors has constituted a Shareholders'/Investors' Grievance Committee, comprising of Sh. Pardeep Gupta as Chairman & Sh. Anil Kohli as member to the Committee. The committee held meeting on dated 12.4.02, 21.6.02 & 27.12.02.

The Company's share continue to be listed in the B2 Group in the Mumbai Stock Exchange and the trading in the equity share of the Company is mandatory in dematerialized form. In accordance with clause 49 VI (D) of the listing agreement with the stock Exchange at Mumbai, Calcutta, Ahmedabad, Ludhiana and Delhi, to expedite the process of share transfers, the Board has appointed Alankit Assignment Ltd., as a common nodal agency, both for physical & electronic transfers.

The Company has not paid listing fee to Delhi, Calcutta & Ahmedabad stock exchange for 2002-03.

## 4. DETAILS OF REMUNERATION PAID/PAYABLE TO THE DIRECTORS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2003

The remuneration of Managing Director approved by the Remuneration Committee consist of the following :

Salary	Bonus	Perquisites
923448	2500	316248

The Non-Executive Directors are entitled to sitting fee for attending each meeting of the Board. The sitting fee is Rs. 500 for attending each Board Meeting.

## 5. GENERAL BODY MEETING

The details of last three AGMs held :

Year	Date	Venue	Time
1999-00	19.12.2000	Alpha Drug India Limited Villages Kolimajra & Samalheri, P.O.Lalru, Distt. Patiala-140501 (Pb.)	11.30 a.m.
2000-01	17.12.2001	-do-	10.00 a.m.
2001-02	26.11.2002	-do-	10.00 a.m.

None of the items transacted at the said meetings were passed by Postal ballot.

## 6. DISCLOSURES

The Register of Contracts detailing the transactions in which the Directors are interested is placed before the Board at every meeting pursuant to Section 301 of the Companies Act, 1956.

Transaction with the related parties during the period are disclosed in the Notes no. 8 of Schedule L to the Accounts in the Annual Report. During the year, some transactions on market conditions took place with an independent Director. These in the judgement of the Board are not material significant & would not affect the independence of Directors judgement. However, these transactions are not likely to have any conflict with the Company's interest.

There have been no instances of any penalties imposed on the Company on any matter relating to the capital market and listing either by Stock Exchange, or SEBI or any Statutory Authority during the year.

The board receives on a quarterly basis, certificates of compliance with the provisions of all applicable laws from Sh. Anil Kohli, Managing Director, which is taken on record by the Board. However, Sh. Anil Kohli, Managing Director issues certificate after obtaining compliance certificate from all departmental heads.

## 7. MEANS OF COMMUNICATION

### Financial Results

The result of each Quarter is faxed to the Stock Exchange at Mumbai, Ahmedabad, Calcutta, Ludhiana & Delhi in the prescribed format within 15 minutes of the conclusion of the each Board/Committee Meeting at which the results are taken on record. The quarterly results were published in 'The Tribune' & 'Punjabi Tribune' for the quarters ending on June, September & December, 2002 and in the 'Financial Word (all india edition)' & 'Punjabi Tribune' for the quarter ending on March, 2003.

There were no presentations made to institutions, investors or analysts.

### Other Information

Investors can contact the Company by e-mail at the following : cs@alphadrug.co.in

The Management Discussion & Analysis Report for the year ended on 31<sup>st</sup> March, 2003 forms part of this Annual Report.



**8. SHAREHOLDER INFORMATION**

Annual General Meeting - Date, Time & Venue	: 9 <sup>th</sup> September, 2003 at 10.00 a.m. Alpha Drug India Limited Villages Kolimajra & Samalheri, P.O. Lalru, Distt. Patiala-140501 (Pb.)
Date of Book Closure	: 2 <sup>nd</sup> September to 9 <sup>th</sup> September, 2003 (both days inclusive)
Stock Exchanges where Company's share are listed	: (a) The Ludhiana Stock Exchange Assn. Ltd., Feroze Gandhi Market, Ludhiana-141001. (b) Delhi Stock Exchange Assn. Ltd., DSE House, 3/1 Asaf Ali Road, New Delhi- 110002. (c) The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400001. (d) The Calcutta Stock Exchange Assn. Ltd., 7, Lyons Range, Kolkata-700001. (e) The Stock Exchange Ahmedabad Kamdhenu Complex, Opp. Saahajanand College Panjarapole, Ahmedabad-380015.
ISIN No.	: INE256B01018
Scrip Code	: 500006
Plant Location	: Villages kolimajra & samalheri, P.O. Lalru, Distt. Patiala - 140501(Pb.)

**9. REGISTRAR & TRANSFER AGENT (RTA)**

Alankit Assignment Ltd., 205-208, Anarkali Market, Jhandewalan Extension, New Delhi has been appointed as Registrar & Transfer Agent for processing, transfers, sub-division, consolidation, splitting of shares and for rendering depository services such as dematerialization and rematerialisation of the Company's Shares.

As the Company's shares are compulsorily to be traded in dematerialised form, members holding shares in physical form are requested to send the share certificates directly to the Registrar and Transfer Agent for Dematerialisation. Members have the option to open their accounts either with NSDL or CDSL as the Company has entered into agreements with both the Depositories.

**10. SHARE TRANSFER SYSTEM**

Presently, the share transfers which are received in physical form are processed and the share certificates returned within in 30 days of lodgement, subject to the documents being valid and complete in all respects. The Company has, as per SEBI guidelines has offered the facility of transfer cum demat. Under the said system, after the share transfer is effected, an option letter is sent to the transferee indicating the details of the transferred shares and requesting him in case he wishes to demat the shares, to approach a Depository Participant with the transferred shares with the option letter. The DP, based on the option letter, generates a demat request and sends the same to the Company alongwith the option letter issued by the Company. On receipt of the same, the Company dematerialise the shares. In case transferee does not wish to dematerialise the shares, he need not exercise the option and the Company will despatch share certificates after 30 days from the date of such option letter.

**a. Distribution of Shareholding as at 31<sup>st</sup> March, 2003 (no.of shareholders & value-wise)**

Sr.	Share holding of nominal value of	No. of Shareholders	%	Value of Shares	%
1.	0 to 5000	43931	91.18	75128440	19.81
1.	5001 - 10000	2680	5.56	22423760	5.91
2.	10001 - 20000	900	1.87	14053900	3.71
3.	20001 - 30000	225	0.53	6543170	1.73
4.	30001 - 40000	117	0.24	4230340	1.12
5.	40001 - 50000	102	0.21	4863400	1.28
6.	50001 - 100000	133	0.28	9785060	2.58
7.	100001 and above	60	0.13	242206410	63.87

**b. Distribution of Shareholding according to Categories as at 31<sup>st</sup> March, 2003**

Category	No. of shares	%
Foreign Collaborator	18856058	49.72
Mutual Fund & UTI	41767	0.11
Bank, FI, Insurance Co.	3616217	9.54
FIs	105665	0.28
Corporate Bodies	960981	2.53
Indian Public	14324827	37.77
NRI/OCB	17933	0.05
<b>Total</b>	<b>37923448</b>	<b>100.00</b>

**c. Details of Demat Shares as at 31<sup>st</sup> March, 2003**

Particulars	No. of shares	%
NSDL	26416706	
CDSL	454178	
<b>Total shares in demat mode (NSDL+CDSL)</b>	<b>26870884</b>	<b>70.88</b>
Share held in Paper form	11052564	29.14
<b>Grand Total (Demat + Physical)</b>	<b>37923448</b>	<b>100.00</b>