



# **ALPHA DRUG INDIA LIMITED**

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## **18th ANNUAL REPORT AND ACCOUNTS**

**2004-2005**

**BOARD OF DIRECTORS**

Shri G. Narayana	Chairman
Shri G.N.Gupta	Vice-Chairman
Shri Shalil Shroff	Managing Director
Shri Jagdish R. Naik	Director
Shri Avtar Singh	Director
Shri S.S.Tiwari	Director
Shri Punit K. Abrol	Director
Shri K L Khurana	Director
Shri Ajay Mahajan (Nominee of PSIDC)	Director
Shri J.H. Bhambhani	Director
Shri L. Rajagopalan *	Director
Shri Anil Kohli #	Director

\* Appointed as Additional Director w.e.f. 17.08.2004.

# Resigned as Director w.e.f. 23.03.2005.

**COMPANY SECRETARY**

Shri Dinesh Bhandari

**BANKERS**

UTI Bank Ltd.  
Sector 34, Chandigarh.

**ADMINISTRATIVE OFFICE**

S.C.O. 417-418, Sector 35-C, Chandigarh - 160022  
Phone : 0172-2600955, 2603120, 2604127  
E-mail : info@chd.pcplsts.com

**AUDITOR**

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**

Plot No.645-646, 4th/5th Floor,  
Oberoi Chambers II, New Link Road,  
Andheri (West), Mumbai 400 053  
Ph.: 022 2674 7900 (30 Lines)  
Fax : 022 2673 6013, 2673 6193  
Email : stschem@bom3.vsnl.net.in

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## ALPHA DRUG INDIA LIMITED

Regd. Office : Villages Kolimajra & Samalheri, P.O. Lalru, Distt. Patiala, Punjab-140501

## NOTICE

**Notice** is hereby given that the 18th Annual General Meeting of the members of the Company will be held on Wednesday, the 28<sup>th</sup> December, 2005 at 10.00 a.m. at the Registered Office of the Company situated at Lalru, (Punjab) to transact the following business :

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Profit and Loss Account for the financial year ended 31st March, 2005 and the Balance Sheet as at that date, together with the Directors' Report and the Auditor's Report thereon.
2. To appoint a Director in place of Shri G N Gupta, who retires by rotation and, being eligible, offers himself for re-election
3. To appoint a Director in place of Shri Avtar Singh, who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Shri Punit K. Abrol, who retires by rotation and, being eligible, offers himself for re-election.
5. To appoint Auditors of the Company and to fix their remuneration.

**SPECIAL BUSINESS:**6. **Appointment of Shri L. Rajagopalan as a Director**

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 L. Rajagopalan be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. **To Consider and approve the payment of Sitting Fee to Non Executive Directors**

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 309(2) of the Companies Act, 1956 and Clause 49 of the Listing Agreement entered with Stock Exchanges of India, Non Executive Directors of the Company including Independent Directors be paid the remuneration by way of fees/compensation for each meeting of the Board or Committee thereof attended by them as per the policy approved & finalized by the Board of Directors of the Company from time to time subject to the maximum limit prescribed under the Companies Act, 1956 or SEBI or any other Statutory/Regulatory Authority."

**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.**
2. The instrument appointing proxy should be deposited at the Registered Office of the Company not later than forty eight hours before the commencement of the meeting.
3. Members, who hold shares in dematerialised form, are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.
4. Members desiring any information on the business to be transacted at the Meeting are requested to write to the Company at least 10 days in advance to enable the Management to keep the information, as far as possible, ready at the Meeting.
5. Members holding shares in physical form are requested to notify immediately any change in their addresses.
6. Members holding shares in Electronic Form are requested to notify change in their address, if any, to their Depository Participant.
7. The members are requested to intimate, if the shares are held by them in the same order and names but in more than one Folio number. This will enable the Company to consolidate the said accounts into one account.
8. Members/proxies are requested to bring their attendance slip duly filled in and their copy of the Annual Report in the meeting.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 20<sup>th</sup> December, 2005 to Wednesday, the 28<sup>th</sup> December, 2005 (both days inclusive), in connection with the Annual General Meeting.
10. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business to be transacted at the meeting is annexed as Annexure I to this notice.
11. Information pursuant to Clause 49VI (A) of the Listing Agreement for the Directors to be appointed/re-appointed is given in Annexure- II.

By order of the Board

Place : Lalru

Date : 26<sup>th</sup> November, 2005

**Dinesh Bhandari**  
Company Secretary



## ANNEXURE - I

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

## ITEM No. 6

Shri L. Rajagopalan was co-opted as Additional Director w.e.f. 17.8.2004 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 requisite deposit proposing the candidature of Shri L. Rajagopalan for the office of a Director.

**Shri L. Rajagopalan** (68 years) possesses a Master's degree in Economics from Delhi University and a Bachelor's degree in Law from the MS University of Baroda. He is also a Fellow Member of the Institute of Company Secretaries of India.

He has had extensive exposure to and experience in various aspects of corporate management and has undergone training in several leading Management Institutes in India and the U.K. He is widely travelled and has dealt with managements of several corporate entities in the developed world in the course of negotiations and preparation of documents for technology transfer and joint ventures. He had held several senior level positions in Indian Petrochemicals Corporation Ltd. from whose service he retired in 1995 as Executive Director & Secretary. He is currently a consultant and has been rendering advice on corporate affairs to several leading companies. He is also a Director in Transpek-Silox Industry Ltd. and an Alternate Director in Haldyn Glass (Guj) Ltd., and Excel Crop Care Ltd.

None of the Directors of the Company, except Shri L. Rajagopalan, himself, is in any way, concerned or interested in this resolution. The Board recommends the passing of the proposed resolution.

## ITEM No. 7

## Approval for payment of Sitting Fees / Compensation

Pursuant to Clause 49 of the Listing Agreement (to be effective from 01.01.2006) with Stock Exchanges, all fees/compensation, if any, paid to Non-Executive Directors, including Independent Directors, shall be fixed by the Board of Directors and shall require previous approval of Shareholders in General Meeting. Non-Executive Directors of your Company are already paid Sitting fees for attending each meeting of the Board of Directors including the Committee meetings. The resolution at Item No.7 has been proposed in view of the amended Clause 49 of the Listing Agreement in this regard and accordingly, the previous approval is being sought from the members so that Non-Executive Directors are continued to be paid Sitting fees/Compensation, if any, for attending the Board Meetings and Committee Meetings, from January 2006 onwards.

All the Non-Executive Directors, including independent may be deemed to be concerned or interested in the resolution to the extent of the sitting fees/compensation to be received by them in future.

The Board recommends the resolution for approval of the members.

## ANNEXURE II

Information pursuant to Clause 49 VI(A) of the Listing Agreement. Brief resume and name of the Companies in which the Directors who are being re-appointed as a Director of the Company, having directorship in other Companies is given below.

## 1. Shri G. N. Gupta

Shri G. N. Gupta (73 years) is a Non- Executive & Independent Director. He is M.Sc (Maths), LLM, 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 Asian Fertilisers Ltd., Manoj Housing Finance Co. Ltd., Flex Engg. Ltd., Flex Foods Ltd., Yash Papers Ltd., Hiranyamai Investment P. Limited. In view of his wide experience and expertise in the taxation matters, it would be in the interest of the Company to reappoint him on the Board to have the benefit of his deliberations.

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

The Board recommends the passing of the proposed resolution.

## 2. Shri Avtar Singh

Shri Avtar Singh (46 years) is a Non- Executive Director. He is bachelor of Science. He is having working experience of more than 22 years in Chemicals, Pharmaceuticals, Intermediates, & Agro Chemicals fields. He is presently a Whole Time Director in Punjab Chemicals & Crop Protection Limited & Director in STS Chemicals Limited & Saurav Chemicals Limited. He has wide technical experience in the field of manufacturing of Chemicals. Accordingly, it would be in the interest of the Company to reappoint him on the Board to have the benefit of his deliberations.

None of the Directors of the Company, except Shri Shaili 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 & Crop Protection Limited in which Shri Shaili Shroff is a Managing Director and further Shri Shaili 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.

## 3. Shri Punit K. Abrol

Shri Punit K Abrol (50 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 24 years and presently working as a Vice President (Finance) & Secretary of Punjab Chemicals and Crop Protection Limited. He is the Vice Chairman of the Northern India Regional Council of ICSI. He is not holding Directorship in any other body corporate.

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

The Board recommends the passing of the proposed resolution.



## CORPORATE GOVERNANCE REPORT

**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 Board of the Company was re-constituted on 17.08.2004 with the induction of Shri L. Rajagopalan as an Additional Director upto the date of ensuing Annual General Meeting. Further Shri J H Bhambhani was appointed in the last Annual General Meeting held on 17.8.2004 as a Director, liable to retire by rotation.

Present strength of the Board is eleven Directors consisting of one Managing Director and ten non executive directors. The size of the Board conforms to the requirements of the Corporate Governance Code under the Listing Agreement with the Stock Exchanges.

The composition of the Board of Directors and related information as on 31<sup>st</sup> March, 2005 is as follows :

Name of director/ Designation	Category - Executive/ Non- Executive/ Independent	No. of Board Meetings Attended (2004-05)	Attendance at Last AGM held on 17.8.2004	Directorship in other Public Ltd. companies incorporated in India	No. of other Board Committees of which he is Chairman/ Member	
					Chairman	Member
Shri G. Narayana (Chairman)	Non-Executive & Non- Independent Director	7	Yes	4	0	1
Shri G N Gupta (Vice -Chairman)	Non-Executive & Independent Director	5	Yes	5	4	2
Shri Shaili Shroff	Managing Director	8	Yes	4	1	1
Shri Jagdish R Naik	Non-Executive & Independent Director	7	Yes	7	1	4
Shri S S Tiwari	Non-Executive & Non-Independent Director	4	No	1	Nil	Nil
Shri Ajay K. Mahajan (Nominee of PSIDC)	Non- Executive & Independent Director	6	Yes	10	0	5
Shri L. Rajagopalan (w.e.f.17.8.04)	Non- Executive & Independent Director	4	Yes	3 (including alternate Directorship)	2	0
Shri J H Bhambhani (w.e.f.17.8.04)	Non-Executive & Independent Director	2	No	Nil	Nil	Nil
Shri K L Khurana	Non-Executive & Independent Director	5	No	Nil	Nil	Nil
Shri Avtar Singh	Non-Executive & Non -Independent Director	8	Yes	3	0	1
Shri Anil Kohli (resigned w.e.f. 23.3.05)	Non-Executive & Independent Director	Nil	No	0	Nil	Nil
Shri Punit K. Abrol	Non-Executive & Independent Director	7	Yes	0	Nil	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**

The Board Meetings were held during the year 2004-05 on the following days :

April 26, 2004	September 20, 2004	January 25, 2005
July 20, 2004	October 04, 2004	March 23, 2005
August 17, 2004	October 26, 2004	

**3. Committees of the Board****A. Audit Committee**

The Audit Committee presently consists of Shri G N Gupta, Director as Chairman, Shri Jagdish R. Naik and Shri K L Khurana, Directors as members of the Committee. During the year, Shri Anil Kohli resigned from Directorship of the Company and hence ceased to be member of the Committee w.e.f. 23.3.2005.

Shri Shaili Shroff, Managing Director, other directors, Statutory Auditors and Internal Auditors are invited to the Committee meetings whenever required. The Company Secretary acts 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.



- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. 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.
- f. Discussion with internal auditors any significant findings and follow up thereon.
- g. 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.
- h. 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.
- i. Reviewing the company's financial and risk management policies.

The Committee meetings were held during the year as follows :

26 <sup>th</sup> April, 2004	26 <sup>th</sup> October, 2004
20 <sup>th</sup> July, 2004	25 <sup>th</sup> January, 2005

The Attendance of each member of the Committee is given below :

Name of Director	Position	Category of Directorship	No. of Meetings	
			Held	Attended
Shri G N Gupta	Chairman	Non Executive & Independent Director	4	3
Shri Jagdish R Naik	Member	Non Executive & Independent Director	4	3
Shri K.L.Khurana	Member	Non Executive & Independent Director	4	4
Shri Anil Kohli (ceased to be member w.e.f. 23.3.2005)	Member	Non Executive & Independent Director	4	Nil

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

The Committee presently consist of Shri S.S. Tiwari, as Chairman and Shri Jagdish R. Naik, as member of the Committee. The Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing Director, based on performance and defined criteria.

As there was no business to be transacted the Committee did not meet during the year 2004-05.

#### C. Shareholders /Investors Grievance Committee

The Shareholders'/Investors' Grievance Committee presently consists of Shri Avtar Singh, as Chairman ( w.e.f. 31.3.2005), Shri Ajay K. Mahajan & Shri Punit K. Abrol, as a members of the Committee. During the year, Shri Anil Kohli resigned from Directorship of the Company and hence ceased to be member of the Committee w.e.f. 23.3.2005.

The meetings of the Committee are need based, not less than once a fortnight. The details of meetings held during the year are given below:

15.4.04	15.6.04	15.9.04	16.11.04	15.1.05	15.3.05
30.4.04	15.7.04	30.9.04	30.11.04	31.1.05	31.3.05
15.5.04	10.8.04	15.10.04	15.12.04	16.2.05	
31.5.04	31.8.04	31.10.04	31.12.04	28.2.05	

Presently, Company's shares are listed in the B1 Group in The Stock Exchange, Mumbai and the trading in the equity shares of the Company is mandatory in dematerialized form. In accordance with clause 49 VI (D) of the listing agreement with the Stock Exchanges at Mumbai and Calcutta 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 paid listing fee to The Stock Exchange, Mumbai and The Calcutta Stock Exchange Assn. Ltd. for 2005-06, where the equity shares of the company are presently listed.

#### 4. Details of Remuneration paid/payable to the Directors for the period ended 31<sup>st</sup> March, 2005

Shri Shalli Shroff, Managing Director is not taking any remuneration from the Company.

The non-executive Directors are entitled to sitting fee at the rate of Rs. 1500 for attending each meeting of the Board as well all other Committees.

#### 5. General Body Meeting

The details of last three AGMs held are given below :

Year	Date	Venue	Time	Special Resolution Passed
2001-02	26.11.2002	Alpha Drug India Limited	10.00 a.m.	Nil
		Villages Kolimajra & Samalheri		
		P.O. Lalru, Distt. Patiala-140501 (Pb.)		
2002-03	09.09.2003	-do-	10.00 a.m.	2
2003-04	17.08.2004	-do-	4.00 p.m.	Nil

There was no business transacted in the above meetings, which required to be passed through the postal ballot.

#### 6. Disclosures

The details of the transactions in which the Directors are interested are reviewed by the Audit Committee and approved by the Board pursuant to Section 301 of the Companies Act, 1956.

Transactions with the related parties during the period are disclosed in the Notes no. 7 B of Schedule M to the Accounts in the Annual Report. However, these transactions are not likely to have any conflict with the company's interest.

There have been no instances of any penalties, strictures 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.





## 7. Means of Communication

### Financial Results

The results of each quarter is faxed to the Stock Exchange at Mumbai and Calcutta in the prescribed format within 15 minutes of the conclusion of the each Board Meeting at which the results are taken on record. The results are usually published in Financial Express (all editions), Times of India, Chandigarh, Punjabi Tribune, Chandigarh, Economic Times & Nav Bharat Times (Bombay).

There were no presentations made to the 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, 2005 forms part of this Annual Report.

### 8. Shareholder Information

The application for delisting of Equity Shares of the Company from The Calcutta Stock Exchange Association Limited filed during March, 2004 is still pending with the Exchange till date. The equity shares of the Company will remain listed at Stock Exchange, Mumbai, having nation wide terminals.

During the year, Hon'ble High Court of Punjab & Haryana at Chandigarh vide its order dated 03.12.2004/14.1.2005 (as revised) confirmed the resolution for reduction of capital of the Company. Accordingly, new share certificates were dispatched in lieu and cancellation of existing (old) share certificates without calling back the existing (old) share certificates from the shareholders, as existing share certificates had been treated as deemed to be cancelled and ceased to be tradable w.e.f. 16<sup>th</sup> February, 2005 as per the decision taken by the Board of Directors.

In order to restructure the activities of the Company and for the long term benefits, the Board of Directors have approved by majority the Scheme of Amalgamation of the Company with Punjab Chemicals & Crop Protection Limited, subject to the approval of the Hon'ble High Court of Punjab & Haryana at Chandigarh. Accordingly, for the approval of the above said scheme, court convened Meetings of Equity Shareholders, Unsecured Creditors and Secured Creditors were held on 23<sup>rd</sup> July, 2005. In the aforesaid meetings, resolutions for the approval of the above scheme were passed by the requisite majority under Section 391(2) of the Companies Act, 1956 by the Equity Shareholders, Unsecured Creditors and Secured Creditors. Thereafter, final Petition was filed by the Company in the Hon'ble High Court of Punjab & Haryana at Chandigarh, which is pending.

Annual General Meeting Date, Time & Venue	28 <sup>th</sup> December, 2005 at 10.00a.m. Alpha Drug India Limited , Villages Kolimajra & Samalheri, P.O. Lalru, Distt. Patiala-(Pb.)
Date of Book Closure	20 <sup>th</sup> December to 28 <sup>th</sup> December, 2005 (both days inclusive)
Stock Exchanges where Company's shares are listed	1. The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001. 2. The Calcutta Stock Exchange Assn. Ltd. , 7, Lyons Range, Kolkata.
New Demat ISIN No. in NSDL & CDSL for equity shares	INE256B01026 (w.e.f. 18.3.2005)
Stock Code of Stock Exchange, Mumbai	500006
Plant Location	Villages kolimajra & samalheri,P.O. Lalru, Distt. Patiala- 140501 (Pb.)

### Particulars of the Directors seeking Appointment/Re-appointment at the forthcoming Annual General Meeting.

Name of the Director	Shri G N Gupta
Age	73 years
Qualification	M.Sc (Maths), LL.M, M.A.(Eng.)
Other Public Companies in which Directorship held	1.Asian Fertilisers Ltd. 2.Manoj Housing Finance Co. Ltd. 3.Flex Engg. Ltd. 4.Flex Foods Ltd. 5.Yash Papers Ltd.
Other Public Committees in which membership of Committees of Directors held	<b>Audit Committee</b> 1.Flex Engineering Ltd.- Chairman 2. Yash Foods Ltd.-Chairman 3. Yash Papers Ltd. - Member <b>Remuneration Committee</b> 1.Yash Papers Ltd.- Chairman 2.Flex Foods Ltd.-Chairman 3.Flex Engineering Ltd.- Member

Name of the Director	Shri Avtar Singh
Age	46 years
Qualification	B.Sc
Other Public Companies in which Directorship held	1.Punjab Chemicals & Crop Protection Ltd. 2. STS Chemicals Ltd. 3. Saurav Chemicals Ltd.
Other Public Committees in which membership of Committees of Directors held	<b>Shareholders/Investors Grievance Committee</b> 1. Punjab Chemicals & Crop Protection Ltd.- Member



Name of the Director	Shri Punit K. Abrol
Age	50 years
Qualification	FCS, LLB, Advanced Diploma in Taxation
Other Public Companies in which Directorship held	Nil
Other Public Committees in which membership of Committees of Directors held	Nil

Name of the Director	Shri L. Rajagopalan
Age	68 years
Qualification	M.A. (Economics), LLB, FCS
Other Public Companies in which Directorship held	1. Transpek-Silox Industry Ltd. 2. Haldyn Glass (Gujarat) Ltd. - Alternate Director 3. Excel Crop Care Ltd. - Alternate Director
Other Public Committees in which membership of Committees of Directors held	<b>Audit Committee</b> 1. Transpek-Silox Industry Limited - Chairman 2. Haldyn Glass (Gujarat) Ltd. - Chairman

### 9. Registrar & Transfer Agent (RTA)

Alankit Assignment Ltd. is the 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 National Securities Depository Limited or Central Depository Services (India) Limited as the Company has entered into Agreements with both the Depositories. The Address of Registrar and Transfer Agents is as under : M/s Alankit Assignment Ltd. Alankit House, 2 E/21, Jhandewalan Extension, New Delhi-110055. Phone-011-52541234, 23541234, 51540028, Email- [alankit@alankit.com](mailto:alankit@alankit.com)

### 10. Share Transfer System

Presently, the share transfers which are received in physical form are processed and the share certificates returned with in 30 days of lodgement, subject to the documents being valid and complete in all respects.

#### a. Distribution of Shareholding as on 31<sup>st</sup> March, 2005

Sr.	Share holding of Nominal Value of (Rs.)	No. of Shareholders	%	Value of Shares (Rs.)	%
1	0 to 5000	37750	98.50	19175640	25.28
2	5001- 10000	346	0.90	2603410	3.43
3	10001- 20000	149	0.39	2245260	2.96
4	20001- 30000	37	-0.10	939750	1.24
5	30001- 40000	15	0.03	534030	0.71
6	40001- 50000	8	0.02	374910	0.49
7	50001-100000	11	0.03	756380	1.00
8	100001 and above	10	0.03	49217520	64.89
		38326	100.00	75846900	100.00

#### b. Distribution of Shareholding as on 31<sup>st</sup> March, 2005 (Category Wise)

Category	No. of shares	%
Indian Promoters & PAC	4073374	53.70
Mutual Fund & UTI	7593	0.10
Bank, FI, Insurance Co.	723153	9.53
FIs	37453	0.50
Corporate Bodies	237721	3.14
Indian Public	2496485	32.92
NR/OCB	7861	0.10
Trust	1050	0.01
Total	7584690	100.00

#### c. Market Price data : High/Low Prices along with Volume during 2004-05

Month	High	Low	Volume
April	14.68	9.50	927384
May	12.50	7.93	624976
June	9.83	7.50	208578
July	10.90	6.91	472001
Aug*	10.60	8.76	523375
Sept	17.89	9.18	3296774
Oct	17.60	12.15	1233544
Nov	17.19	13.85	1243923
Dec	22.90	14.50	4376636
Jan	22.75	16.00	1841046
Feb*	18.80	15.00	447721
Mar*	-	-	-
(Source: <a href="http://www.bseindia.com">www.bseindia.com</a> )			15195958

\* The trading in the equity shares was suspended from 8.2.2005 to 31.3.2005 on account of change in ISIN on account of Reduction of Capital of the Company.



**d. Details of Shares held in Physical & Demat form as at 31<sup>st</sup> March, 2005**

Sr.	Particulars	No. of shares	%
1	NSDL	336464	4.44
2	CDSL	5674631	74.82
3	Total Dematerialised Shares (1+2)	6011095	79.26
4	Physical	1573595	20.74
	Grand Total	7584690	100.00

e. The Company has not issued any GDR's / ADR's warrants or any other convertible instruments.

**11. Investor Correspondence :****For Shares held in Physical Form**

Shri Harish Aggarwal/Shri J.P. Rastogi  
Alankit Assignments Ltd.  
Alankit House, 2 E/21  
Jhandewalan Extension  
New Delhi-110055.  
Phone- 011-52541234, 51540028  
E-mail: [alankit@alankit.com](mailto:alankit@alankit.com)

**For Query on Annual Report**

Shri Dinesh Bhandari  
Alpha Drug India Limited  
Villages Kolimajra & Samalheri, P.O. Lalru,  
Distt. Patiala-140501 (Pb.)  
Phone-01762-275210, 275519  
E-mail- [cs@alphadrug.co.in](mailto:cs@alphadrug.co.in)

**For Shares held in Demat Form**

To the Depository Participant

For and on behalf of the Board of Directors

Place : New Delhi

Dated : 26<sup>th</sup> November, 2005

(G.Narayana)  
Chairman

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Company is engaged in the business of manufacture and sale of bulk drugs and speciality fine chemicals. The Company has been known as a quality conscious producer. For its main product Trimethoprim, the Company holds a significant market share globally, while it already has an authorisation for sales of Trimethoprim in Europe.

The Company is endeavouring to optimize the cost of its existing products and has achieved satisfying results so far.

For the domestic market, the Company is considered as one of the major source of Trimethoprim. The severe competition arising from dumped goods from China is now protected by an Anti Dumping Duty.

The Company is considered and recognized as the principal Gallic Acid derivative manufacturer having developed a number of items for the international markets. Some of the items have already been commercialized and some others are in the pipeline. The Company is also making a few products on job work basis to utilize the idle portions of the plant.

Being located far away from any sea-port, the Company has inherent logistics handicaps which it continuously endeavours to overcome and minimise.

The discussion on financial performance of the Company is covered in the Directors' Report.

**AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENTS WITH THE STOCK EXCHANGES****To the Members of Alpha Drug India Limited**

We have examined the compliance of conditions of Corporate Governance by Alpha Drug India Limited for the year ended on 31st March, 2005, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure compliance with the condition of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the above-mentioned Listing Agreements.

We state no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. Tandon & Associates  
Chartered Accountants

Place : Chandigarh

Dated : 26<sup>th</sup> November, 2005

(Kamal Kant Gambhir)  
Partner