

Notice

TO THE MEMBERS

NOTICE is hereby given that the SEVENTY-FIRST Annual General Meeting of the Shareholders of the Company will be held at **BENGAL CHAMBER OF COMMERCE & INDUSTRY**, 6, Netaji Subhas Road, Kolkata-700001 on **Saturday, the 3rd July, 2010 at 11.30 A.M.** to transact the following business :

AS ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint Directors in place of Mr. DD Binani and Mr. Hemal Kampani 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 as ordinary Resolution :

5. **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 Mr. Kamal Prasad Mundhra, as Wholtime Director of the company designated as Executive Director, not liable to retire by rotation for a period of two years with effect from 1st April, 2010, on the terms and conditions including remuneration, perquisites and benefits as set out in the Explanatory Statement attached to this notice and contained in the Agreement dated 31st March, 2010 entered into by and between the Company and Mr. Kamal Prasad Mundhra and that the Board of Directors of the company (which term shall include the remuneration or any other Committee of the Board constituted to exercise its powers including powers conferred by this resolution) be and is hereby authorised to approve and award annual increment effective from 1st April, 2011 to Mr. Kamal Prasad Mundhra, within the prescribed limits of Schedule-XIII of the Companies Act, 1956 including any statutory amendment, enactment or modification(s) thereto or as may be permissible under applicable law in force from time to time.

FURTHER RESOLVED that notwithstanding the above, in the event of any loss or inadequacy of profit in any financial year of the company during the tenure of Mr. Kamal Prasad Mundhra, Executive Director, the remuneration payable to him shall be in accordance with the limits prescribed in Section-II, Part-II of Schedule-XIII of the Companies Act, 1956 as amended from time to time subject to the compliance of provisions thereof.

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary to give effect to the above resolutions.

To consider and if thought fit, to pass with or without modification(s), the following resolutions as ordinary Resolution :

6. **RESOLVED** that pursuant to the provisions of Sections 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 and within the overall limits laid down in Schedule-XIII of the Companies Act, 1956, the Company hereby approves and accords its consent to increase the remuneration payable to Mr. AK Kothari, Chairman & Managing Director of the company for the residual period of his present term i.e. from 1st July, 2010 to 30th June, 2011 in the manner and to the extent set out in the Explanatory Statement to this resolution and in the Supplemental Agreement entered into between the company and Mr. AK Kothari on 31st March, 2010.

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary to give effect to the above resolution.

To consider and if thought fit, to pass with or without modification(s), the following resolution as ordinary Resolution :

7. **RESOLVED** that in supersession of the ordinary resolution passed by the company at its extra-ordinary general meeting held on 30th July, 1983 and pursuant to the provisions of section 293(1)(e) of the Companies Act, 1956, the consent of the company be and is hereby accorded to the Board of Directors to contribute and subscribe on behalf of the company to charitable funds, institute, society, persons, trust, scientific institute and other funds not directly relating to the business of the company or welfare of its employees, such sum or sums not exceeding Rs.2,50,00,000/- in any financial year as they may think fit and proper whether the same is in excess of 5% of the average net profit of the company as determined in accordance with section 349 and 350 of the Companies Act, 1956 or not during the three financial years immediately preceeding.

**By Order of the Board
For ALBERT DAVID LIMITED**

**Registered Office :
15, Chittaranjan Avenue
Kolkata - 700 072**

Dated : 15th May, 2010

**(Indrajit Dhar)
COMPANY SECRETARY**

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 29th June, 2010 to Saturday the 3rd July, 2010 , both days inclusive.
3. The dividend as recommended by the Board of Directors, if approved at the meeting, will be made payable on or after 7th July, 2010 to those Members whose names appear on the Register of Members of the Company on 3rd July, 2010 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.

4. 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. # (033) 2243-5809/2243-5029
Fax No. # (033) 2248-4787
E-Mail Id # mdpl@cal.vsnl.net.in

In case shares are held in electronic form, these information should be passed on directly to their respective Depository Participant (DP).

5. Pursuant to Section 205A and 205C of the Companies Act, 1956, all unclaimed dividends upto the year ended 31st March, 2002 have been transferred to the account of appropriate authority of the Central Government.

Unclaimed dividend for the year ended 31st March, 2003 shall be transferred to the account of Central Government during the year. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2003, 31st March, 2004, 31st March, 2005, 31st March, 2006, 31st March, 2007, 31st March 2008 and 31st March, 2009 are requested to make their claims to the Company.

6. 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

Mr. K P Mundhra was re-appointed as Wholetime Director designated as Executive Director of the Company for a period of two years with effect from 1st April, 2008 to 31st March, 2010 which was approved by the Shareholders in the meeting held on 31st July, 2008.

In view of excellent contribution made by Mr. Mundhra towards the growth of the company, the Board of Directors, at its meeting held on 29th March, 2010 have re-appointed him as Wholetime Director designated as Executive Director for a period of two years with effect from 1st April, 2010, subject to the approval of shareholders of the company, on the remuneration as recommended by the Remuneration Committee and on the terms and conditions set out in an Agreement dated 31st March, 2010. The terms of remuneration of Mr. K P Mundhra as Executive Director are in accordance with Schedule XIII of the Companies Act, 1956.

An abstract of the terms of re-appointment and remuneration payable to him as Executive Director of the Company under the Agreement is given below :-

REMUNERATION :

- i) Salary : Rs.3,20,000/- (Rupees Three Lacs Twenty Thousand only) per month for the period from 1st April, 2010 to 31st March, 2011 and thereafter such remuneration as may be approved by the Board of Directors of the Company.

ii) Perquisites : Apart from salary Mr. KP Mundhra will also be entitled to the perquisites classified into the following three parts viz. Part A, B and C.

PART-A

- i) Housing - The company shall provide rent-free furnished accommodation. In case no accommodation is provided by the company, the Executive Director shall be entitled to House Rent Allowance limited to 8% of his salary.
- ii) Medical Reimbursement and Leave Travel Concession : The Executive Director shall be reimbursed to the extent of 10% of the salary towards expenses incurred for self and family for Medical Expenses and Leave Travel Assistance as per the Rules of the company.
- iii) Fee of Clubs : Upto a maximum of two clubs. This will not include any admission or life membership fees.
- iv) Personal Accident Insurance/Life Insurance : Premium not exceeding Rs.15,000/- per annum.
- v) Ex-Gratia/Bonus : In accordance with the Rules of the Company.

PART-B

- i) Company's contribution to Provident Fund as per the Rules of the Company.
- ii) Gratuity on retirement at the rate of one half month's salary for each completed year of service subject to the ceiling as provided in law.
- iii) Leave with full pay : Encashment of leave will be permitted as per the Rule of the Company.

PART-C

- i) Use of Car for Company's business. Any use of car for private purpose will be valued as per Income Tax Rules, 1962.
- ii) Free telephone facility at residence.

In the event of absence or inadequacy of profits during the period of service, the Executive Director shall be entitled to the salary and perquisites within overall limits prescribed under Part-II of Section-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 31st March, 2010 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 Mr. Kamal Prasad Mundhra is concerned or interested in the aforesaid reappointment and remuneration.

Considering the valuable contribution of Mr. KP Mundhra in the growth of the company, the Board recommends passing of the above resolution as an ordinary resolution.

Item No.6

Mr. AK Kothari was appointed as Chairman & Managing Director of the Company for a period of three years with effect from 1st July, 2008 to 30th June, 2011 which was approved by the Shareholders in the meeting held on 31st July, 2008 and his remuneration was also determined as per the Agreement executed with him on 19th June, 2008.

In view of Mr. AK Kothari's valuable contribution and market trend of the remuneration of such person, the Board of Directors, as recommended by the Remuneration Committee, at its meeting held on 29th March, 2010, subject to your approval and within the limits specified in Schedule XIII of the Companies Act, 1956, have increased the remuneration of Mr. AK Kothari, Chairman & Managing Director of the Company from Rs.3,00,000/- to Rs.3,25,000/- per month for the residual period of one year i.e. from 1st July, 2010 to 30th June, 2011 in the manner and to the extent as set out in the Supplemental Agreement entered into between the Company and Mr. AK Kothari on 31st March, 2010.

Copies of the Agreement referred hereinabove will be available for inspection by the Members at the Registered Office of the Company on any working day prior to the date of meeting between 11.00 a.m. and 1.00 p.m. and will also be available at the meeting.

Other than Mr. AK Kothari and Mr. DD Binani, none of the Directors is concerned or interested in the aforesaid revision in remuneration.

The Board recommends that the resolution be passed as an ordinary resolution.

Item No.7

By a resolution passed in the extra-ordinary general meeting of the company held on 30th July, 1983, the shareholders had accorded their consent to the Board of Directors to contribute upto Rs.50 Lacs to charitable funds, institute, society, persons, trust, scientific institute and other funds not directly relating to the business of the company or welfare of its employees.

In view of increased activities and demand of social responsibility, the aforesaid limit is found to be inadequate. It is therefore proposed to increase the limit from Rs.50 Lacs to Rs.250 Lacs for fulfilling the present demand of social responsibility. Hence the resolution is being proposed under section 293(1)(e) of the Companies Act, 1956.

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

The Board recommends that the resolution be passed as an ordinary resolution.

**By Order of the Board
For ALBERT DAVID LIMITED**

**Registered Office :
15, Chittaranjan Avenue
Kolkata - 700 072**

Dated : 15th May, 2010

**(Indrajit Dhar)
COMPANY SECRETARY**

**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 31 st March 2010 *	Chairman / Member of the Committee of the Board of other Companies on which he is a Director as on 31 st March 2010
Shri K P Mundhra	17-11-1944	30-09-1992	Vast Managerial and Administrative experience in Pharmaceutical Industry	M.Sc.(Hons.)	Satyam Financial Services Ltd.	-----
Shri D D Binani	25-03-1945	29-01-1985	Rich experience of Chemical and allied industries and financial matters	B.E.(Chemical)	Anupam Products Ltd. Bikaner Commercial Co. Ltd. Shree Bhawani Investment & Trading Co. Ltd. Mangalam Mercantiles Ltd.	Shree Bhawani Investment & Trading Co. Ltd. (Audit Committee - Member)
Shri Hemal Kampani	10-04-1957	11-03-1993	More than 28 years' experiences in Primary & Secondary Market and vast experience in Financial Matters.	B.Com.	VCK Share & Stock Broking Services Ltd. VCK Capital Market Services Ltd.	VCK Capital Market Services Ltd. (Investors' Grievance Committee - Member)

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

* Excluding Private Limited Companies and Companies registered under Section 25 of the Companies Act, 1956.

Registered Office :
15, Chittaranjan Avenue
Kolkata - 700 072

Dated : 15th May, 2010

By Order of the Board
For ALBERT DAVID LIMITED

(Indrajit Dhar)
Company Secretary

Directors' Report

TO THE SHAREHOLDERS

Ladies & Gentlemen,

Your Directors have pleasure in presenting their report on the working of the Company alongwith the Audited Accounts for the year ended 31st March, 2010

FINANCIAL RESULTS :

	Rs. (in Lacs)	Rs. (in Lacs)
Gross Profit for the year		2476.43
Less : Depreciation		904.83

Profit before tax		1571.60
Less : Provision for Taxation		
Current	545.00	
Deferred	<u>(0.80)</u>	<u>544.20</u>
Net Profit		1027.40
Add : Balance brought forward from previous year		422.09

		1449.49
Less : Proposed Dividend	256.82	
Corporate Dividend Tax	42.65	
Transfer to General Reserve	<u>700.00</u>	<u>999.47</u>

Balance Carried Forward		450.02

WORKING RESULTS :

During the year under review, your Company achieved net Sales of Rs.20295.79 Lacs and recorded a Gross Profit of Rs.2476.43 Lacs compared to previous year's net Sales of Rs.18390.48 Lacs and Gross Profit of Rs.2013.61 Lacs registering a growth of 10.36% and 22.98% respectively over the last year.

As reported in the last year, your company has successfully launched Antibiotic Azithromycin under brand name AZ3 and has also expanded its Vision Care range (launched Antiglaucoma products, Antiinfectives, Irrigating Solution and Steroidal combinations).

During the current financial year, your company plans to launch Calcium preparations, Laxative Combinations, Uterine Tonic and Antibiotic-cefixime range.

Your Directors are hopeful of further growth in sales and better financial performance during the current year.

DIVIDEND :

Your Directors recommend payment of dividend of Rs.4.50 per equity share of Rs.10/- each of the Company.

FIXED DEPOSIT :

Two deposits totalling Rs.21.80 Lacs (including accrued interest of Rs.1.80 lacs) were outstanding on or before 31st March, 2010, which were not claimed as at 31st March, 2010 and remain unclaimed on the date of this report.

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.

INFORMATION UNDER SECTION 217(2A) AND 217(1)(e) OF THE COMPANIES ACT, 1956 :

Information pursuant to The Companies (Particulars of Employees) Rules, 1975 as per Annexure-I as well as additional information in terms of Section 217(1)(e) of the Companies Act, 1956 dealing with Conservation of Energy and Technology Absorption etc. as per Annexure-II forming part of this Report are annexed herewith.

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.

DIRECTORS :

The Board have reappointed Shri KP Mundhra as Executive Director of the company for a further period of two years with effect from 1st April, 2010. Resolution seeking shareholders' approval will be placed before the ensuing Annual General Meeting for consideration.

Shri DD Binani and Shri Hemal Kampani retire from the Board by rotation and being eligible offer themselves for re-appointment.

The Board recommends their re-appointment.

As per Clause 49 of the Listing Agreement, a brief profile of the Directors seeking re-appointment is given in the Notice of AGM.

LISTING OF SHARES :

The shares of your Company are at present listed with Bombay Stock Exchange Ltd. and The Delhi Stock Exchange Association Limited and your Directors confirm that all due Annual Listing Fee has been 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, 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 : 15th May, 2010**

**A K KOTHARI
Chairman & Managing Director**

ANNEXURE-I TO THE DIRECTORS' REPORT

Information under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Employed throughout the year

Sl. No.	Name	Designation/ Nature of Duties	Remuneration Received (Rs.)	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment held	Percentage of equity shares of the company held
1	AK Kothari	Chairman & Managing Director	3881102.00	B.Com.	31	01.07.2008	57	None	1.6295%
2	K P Mundhra	Executive Director	4494290.00	M.Sc.(Hons.)	42	21.8.1970	66	General Assistant, Indian Linoleums Ltd.	None
3	H P Kabra	President (Commercial)	4409630.00	B.Sc., MBA	38	27.04.1974	62	Sales Officer, Bagalkot Udyog Ltd.	None

Notes :

1. The persons named above excluding at Sl.No.3 are on contractual basis.
2. The above remuneration includes Salary, H.R.A., Exgratia, contribution to Provident Fund, Leave Encashment availed, Leave Travel Concession/ Medical Reimbursement availed and insurance premium.

**For and on behalf of the
Board of Directors**

**Kolkata
Dated : .15th May, 2010**

**A K KOTHARI
Chairman & Managing Director**

ANNEXURE-II TO THE DIRECTORS' REPORT

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

A. Conservation of Energy & Electricity :

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

a) Energy conservation measures taken.

- (i) Automatic power factor system with improved panel has resulted in attaining maximum power factor.
- (ii) Loading of DG Sets optimised for increase in power generation.
- (iii) HVAC system to run with cooling water instead of running chilling plant was undertaken during winter.
- (iv) Hot water collected from cooling system of distillation unit was utilised to feed boilers resulting saving of fuel.
- (v) Re-arrangement of existing heating and lighting process.

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

- (i) New highly efficient machines with higher productivity were installed which has contributed in reduction of energy consumption.
- (ii) Plans to convert to CFL/LED Lighting wherever possible

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

The above measures have resulted in saving of energy during the year.

FORM-A

Power & Fuel Consumption :

		Current Year	Previous Year
1. Electricity :			
i) Purchased :			
Units	'000 Kwh	7219	7467
Total Amount	Rs. Lacs	382.39	368.04
Rate/Unit	Rs.	5.30	4.93

		Current Year	Previous Year
ii) <u>Own Generation :</u>			
<i>Thru' own Generator</i>			
Units	'000 Kwh	2522.80	1988.98
Unit per litre of Diesel Oil		3.09	3.35
Rate/Unit	Rs.	10.22	9.50
2. Furnace Oil/L.D.O. :			
Quantity	K.L.	1821.29	1688.00
Total Cost	Rs. Lacs	597.93	633.67
Average Rat	Rs.	32830.03	37539.69

B. Technology Absorption :

a) Research & Development(R & D) :

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

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

- (i) Development of number of ophthalmic products and improvement in manufacturing process.
- (ii) Improvement in quality of existing products.

c) Future plan of action :

Research & Development has been considered as a continuous process. Steps have been taken for further development in IV Solutions range of products. Steps have also been taken to introduce some new formulations like calcium preparations, laxative combinations and antibiotic range.

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 :

The company is keeping track of the latest development in the field of technology and maintain continuous touch with the overseas manufacturers/machine suppliers for latest development in the field of pharmaceutical industry. Continuous efforts are being made to procure and install latest equipment with the adoption of latest technology to upgrade its units for effective cost control and market demands.

D. Foreign Exchange Earnings & Outgo :

The company is exploring the possibilities for increasing the export in the existing and newly developed export market.

Total foreign Exchange earned & used :

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
i) <u>Earnings :</u>		
F.O.B. Value of exports (including deemed Export in Indian Currency Rs.NIL, Previous Year Rs.36.16 Lacs)	1726.74	1469.48
Other Income (Freight & Insurance)	99.26	81.68
ii) <u>Expenditures :</u>		
a) CIF value of imports :		
Capital Good	905.80	451.98
Raw Materials & Others	2064.26	2200.50
Spare Parts & Components	43.39	107.71
b) Expenses in Foreign Currency :		
Travelling	12.73	11.33
Commission	5.34	5.46
Interest	38.51	41.50
Exchange Fluctuation of Working Capital Demand Loan	4.68	9.33
Others	103.27	82.15

**For and on behalf of the
Board of Directors**

Kolkata
Dated : 15th May, 2010

A K KOTHARI
CHAIRMAN & MANAGING DIRECTOR

Management's Discussion and Analysis

Financial Performance:

The details of the financial performance of the company are appearing in the Balance sheet, Profit & Loss Account alongwith other financial statement. Highlights are as under :-

	(Rs. in Lacs)	
	<u>2010</u>	<u>2009</u>
Gross Sales & Other Income	23155.28	21431.27
Less : Excise Duty Recovery/Trade Discount	2704.47	2827.29
Net Sales & Other Income	20450.81	18603.98
Profit before interest, depreciation & tax	2859.95	2528.72
Gross Profit	2476.43	2013.61
Profit before tax	1571.60	1218.46
Profit after tax	1027.40	752.63

Industry Structure & Developments And Outlook :

The Indian pharmaceutical sector is highly fragmented with more than 20,000 registered units. The leading pharmaceutical companies control 70% of the market. It is an extremely fragmented market with severe price competition and government controls. The pharmaceutical industry in India meets around 70% of the country's demand for bulk drugs, drug intermediates and pharmaceutical formulations. There are about 250 large units and about 8000 small scale units which form the core of the pharmaceutical industry in India. It has expanded drastically in the last two decades.

Outlook :

The pharmaceutical industry in India has low cost of production, low R&D cost, innovative scientific manpower, strength of national laboratories and an increasing balance of trade.

Opportunities And Threats:

India has a pool of personnel with high managerial and technical competence as also skilled workforce. The international pharmaceutical companies are finding great opportunities for high class manufacturing and R&D facilities in India.

Research & Development has always taken the back seat amongst Indian pharmaceutical companies. Companies without strong R&D facilities shall be in a disadvantageous position. Price Control and unhealthy competition from large number of small scale manufacturers not capable of producing quality drugs continues to be threat to pharma industry in India.

Risk & Concern

Pharmaceutical business in India remains highly competitive and fragmented. Lack of innovative drugs manufactured through new technologies and R&D and challenge of globalisation are area of concern. The ability to consistently develop higher value-added new products through its own R&D requires considerable efforts and large expenditures and the commercial viability of these new products will depend largely on its acceptability in the market in future.

Internal Control Systems and their adequacy :

The internal control system of the Company are simple, adequate and transparent. It is based on laid down policies, guidelines, authentications and approved procedures. The reputed firms of Chartered Accountants carries out audit throughout the year . The Internal Audit Report, the progress in implementation contained in the audit report and adequacy of internal controls are reviewed by Audit Committee of the Board on regular basis.

Material Development in Human Resources and Industrial Relations :

The company continued to have cordial and harmonious relation with its employees in terms of track record of the company in the relevant sphere.

Segmentwise Performance :

As major part of company's business relates to formulation segment, there is hardly anything to focus on any segment other than formulations. We hope that the financial result enclosed bear sufficient testimony of performance of formulation segment.

Regarding geographical segment, export sales constitute less than 10% of the total sales of the company, hence reporting is not applicable.

REPORT ON CORPORATE GOVERNANCE

The following is report on the implementation of the Code on Corporate Governance by your Company.

1. Company's philosophy on Corporate Governance

The Company's philosophy of Corporate Governance is aimed at assisting the management of the company in the efficient conduct of its business and in meeting its obligations to stakeholders, and is guided by a strong emphasis on transparency, accountability and compliance to applicable statutes to guide the company towards fulfilling a consistently high standard of corporate governance.

2. Board of Directors (Board)

Composition

As at 31st March, 2010, the Board consisted of seven members comprising :

- One Chairman & Managing Director ;
- One Executive Director ;
- Four Non Executive Independent Directors ;
- One Non-Executive Director

None of the Directors in the Board is a member of more than 10 committees as specified in Clause 49 of the Listing Agreement. Necessary disclosures have been made by the Directors in this regard.

The details of the composition of the Board and Summary of other Directorships and Board Committee Memberships of each Director as on 31st March 2010 are as follows :

Name of Director	No. of other Directorship in Companies incorporated in India*	No. of Memberships in other Board Committees **	No. of Chairmanships in other Board Committees
Sri AK Kothari	7	2	--
Sri KP Mundhra	1	--	--
Sri DD Binani	4	1	--
Sri PL Agarwal	7	--	2
Sri H Kampani	2	1	--
Sri Rajiv Singhi	--	--	--
Sri A V Iyengar	7	1	--

* Excluding Private Limited Companies and Companies under Section 25 of the Companies Act, 1956.

** Includes only members of Audit Committee and Shareholders' Grievance Committee as per Clause 49 of the Listing Agreement and excluding chairmanship.

Board Meetings held during the year

During the financial year ended 31st March, 2010 six Board Meetings were held on 29th April, 2009, 26th May, 2009, 31st July, 2009, 31st October, 2009, 30th January, 2010 and 29th March, 2010.

Attendance of Directors at the Board Meetings and the last Annual General Meeting

Name of Director	Category of Directorship	No. of Board meetings attended	Attendance at the last AGM held on 7th July, 2009
Sri AK Kothari	Chairman & Managing Director	6	Yes
Sri KP Mundhra	Executive Director	6	Yes
Sri DD Binani	Non Executive	2	Yes
Sri PL Agarwal	Non Executive Independent	4	Yes
Sri H Kampani	Non Executive Independent	6	No
Sri Rajiv Singhi	Non Executive Independent	5	Yes
Sri A V Iyengar	Non Executive Independent	6	No

Since the last Annual General Meeting held on 7th July, 2009, there were no changes in the composition of the Board during the year ended 31st March 2010.

3. Committees of the Board

A) Audit Committee

Composition

The Audit Committee comprises of three Non Executive Directors viz. Sri Rajiv Singhi, Sri Hemal Kampani and Sri AV Iyengar and Chairman & Managing Director viz. Sri AK Kothari with more than two thirds of the members being independent directors. Sri Rajiv Singhi is the Chairman of the said Committee and the Secretary of the Company acts as the Secretary to the Committee. Executives from Finance Department, Secretarial Department and Representatives of the Statutory Auditors/Internal Auditors/Cost Auditor are invited to attend the Audit Committee Meeting where their reports are discussed.

Objective

The primary objective of the Audit Committee is to monitor and effectively supervise the company's financial reporting process with a view to provide accurate, timely and proper disclosure and the integrity and quality of financial reporting.

Terms of Reference

The Term of reference of the Audit Committee are set out in accordance with the requirement of Clause 49 of the Listing Agreement and Section 292A of the Companies Act 1956.

Meetings and Attendance during the year

During the financial year ended 31st March, 2010, the Committee met six times on 29th April, 2009, 26th May, 2009, 31st July, 2009, 31st October, 2009, 30th January, 2010 and 29th March, 2010

The attendance of the Members at the above Audit Committee meeting was as follows :

Name of the Member	Status	No. of meetings attended
Sri Rajiv Singhi	Chairman	5
Sri AK Kothari	Member	6
Sri H Kampani	Member	6
Sri AV Iyengar	Member	6

B) Share Transfer/Shareholders'/Investors' Grievance Committee

Composition

The Committee comprises of Sri AK Kothari, Sri Hemal Kampani, Sri PL Agarwal and Sri KP Mundhra. Members of the Committee approves share transfer, reviews shareholders' complaints and resolution thereof. Sri Hemal Kampani is the Chairman of the Committee and Secretary of the Company acts as the Compliance Officer to the said Committee

Meetings and attendance during the year

During the financial year ended 31st March, 2010, the Committee met six times on 29th April, 2009, 26th May, 2009, 31st July, 2009, 31st October, 2009, 30th January, 2010 and 29th March, 2010

The attendance of the members of the above Committee was as follows :

Name of the Member	Status	No. of meetings attended
Sri Hemal Kampani	Chairman	6
Sri AK Kothari	Member	6
Sri PL Agarwal	Member	4
Sri K P Mundhra	Member	6

The Company has received 9 complaints during the year ended 31st March, 2010 and all of them have been resolved within the stipulated time.

No application for share transfer was pending for more than 30 days on 31st March, 2010.

C) Remuneration Committee

Composition

The Committee comprises of four Directors namely Sri AK Kothari, Sri PL Agarwal, Sri AV Iyengar and Sri Rajiv Singhi. Other than Sri AK Kothari, all are Non-Executive Independent Directors. Sri AV Iyengar is the Chairman of the Committee and the Secretary of the Company acts as the Secretary to the Committee.

Meetings and attendance during the year

During the financial year ended 31st March, 2010, the Committee met once on 29th March, 2010.

The attendance of the members of the above Committee was as follows :

Name of the Member	Status	No. of meetings attended
Sri AV Iyengar	Chairman	1
Sri AK Kothari	Member	1
Sri PL Agarwal	Member	1
Sri Rajiv Singhi	Member	1

Broad Term of Reference of Remuneration Committee

- To recommend and review remuneration package of Managing Director/Wholetime Directors.
- To follow a market-linked remuneration policy which is aimed at enabling the company to attract and retain the best talent.

The details of remuneration paid to the Directors for the year ended 31st March,2010 are as under :-

(Figures in Rupees)

Name	Status	Salary	Perquisites	Sitting Fee	Total
Sri AK Kothari	Chairman & Managing Director	3225000.00	656102.00	--	3881102.00
Sri KP Mundhra	Executive Director	3240000.00	1254290.00	--	4494290.00
Sri DD Binani	Non-Exec. Director	-	-	10000.00	10000.00
Sri PL Agarwal	- Do -	-	-	45000.00	45000.00
Sri H Kampani	- Do -	-	-	90000.00	90000.00
Sri R Singhi	- Do -	-	-	55000.00	55000.00
Sri AV Iyengar	- Do -	-	-	65000.00	65000.00

Excluding Provision for encashable leave and gratuity.

4. General Body Meetings

A) Location and time of last three Annual General Meetings (AGM) :

Financial Year	Date of AGM	Venue	Time
2008-2009 (70 th AGM)	07.07.2009	Bengal Chamber of Commerce & Industry 6, Netaji Subhas Road Kolkata - 700 001	11.30 A.M.
2007-2008 (69 th AGM)	31.07.2008	Bengal Chamber of Commerce & Industry 6, Netaji Subhas Road Kolkata - 700 001	11.00 A.M.
2006-2007 (68 th AGM)	21.07.2007	Bengal Chamber of Commerce & Industry 6, Netaji Subhas Road Kolkata - 700 001	11.00 A.M.

Particulars of Special resolutions passed :

- (a) Special resolution passed in Annual General Meeting held on 21st July, 2007 to increase the remuneration payable to the Wholetime Director of the company from 1st April, 2007 to 31st March, 2008.
- (b) Two Special Resolutions passed in Annual General Meeting held on 31st July, 2008 to appoint Chairman & Managing Director and Wholetime Director of the Company and approval of their remuneration from 1st July, 2008 to 30th June, 2011 and from 1st April, 2008 to 31st March, 2010 respectively.

No special resolution was passed in the last year through postal ballot.

There is no proposal as on date to pass any special resolution through postal ballot.

5. Disclosures

Disclosures on materially significant related party transactions that may have potential conflict with the interest of the company at large :

None of the transactions with any of the related parties were in conflict with the interests of the Company. Details of related party relationships and transactions are disclosed in Note No.4 of 'Notes on Accounts' for the year ended 31st March, 2010. Details of related party transactions were periodically placed before the Audit Committee.

Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to the capital markets, during the last three years.

There has been no non-compliance and no penalties or strictures have been imposed by any regulatory authority on any matter related to capital markets during the last three years.

Disclosure of Adoption/non-adoption of mandatory/non-mandatory requirements.

The Company has complied with and adopted the mandatory requirements stipulated in Clause 49 of the Listing Agreement.

Clause (1), (2) and (4) relating to Chairman, Remuneration Committee and Status of qualification free audit report respectively of Non-Mandatory requirement of Clause 49 of the Listing Agreement have been adopted.

6. Particulars of appointment/re-appointment of Directors form part of the Notice convening the 71st Annual General Meeting.

7. Means of Communication

- The half-yearly/quarterly financial results published in the proforma prescribed under the Listing Agreement are taken on record by the Board of Directors and thereafter intimated to the Stock Exchanges and also published in the newspapers generally in Business Standard in English and in Kalantar in Bengali.
- The results are also displayed on the Company's website www.albertdavidindia.com shortly after its submission to Stock Exchanges.

- As per the requirements of Clause 51 of the Listing Agreement, all the data relating to quarterly financial results, shareholding pattern etc. are being electronically filed on the EDIFAR website www.sebidifar.nic.in within the time frame prescribed in this regard.
- Management Discussion and Analysis forms part of this Annual Report.

8. SEBI Prevention of Insider Trading

With SEBI imposing the responsibility on "Prohibition of Insider Trading" on the Organisations, the Board has designed a Code of Conduct strictly in accordance with the Model Code of Conduct prescribed by SEBI. The Code, besides other relevant matters, prohibits an insider from dealing in the shares of the company while in possession of the unpublished price sensitive information in relation to the company.

During the time of declaration of results, Dividend and other material events, the trading window is closed as per the Code.

Till date, there have been no violations on this front.

9. General Shareholder Information

Date, time and venue of the Annual General Meeting	At Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata-700001 on Saturday the 3rd July, 2010 at 11.30 A.M.
Financial Calendar 2010-2011 (tentative and subject to change)	<ul style="list-style-type: none"> • Financial Year : April to March • First Quarter Results : Last week of July, 2010 • Half Yearly Results : Last week of October, 2010 • Third Quarter Results : Last week of January, 2011 • Audited Results for the year ending 31st March, 2011 : Last week of May, 2011
Date of Book Closure	Tuesday the 29th June, 2010 to Saturday the 3rd July, 2010 (both days inclusive)
Dividend Payment Date	7th July, 2010
Listing on Stock Exchanges	<p>Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400023</p> <p>The Delhi Stock Exchange Association Ltd. DSE House, 3/1, Asaf Ali Road, New Delhi - 110002</p> <p>Listing fees for the year 2010-2011 have been paid to the above Stock Exchanges.</p>
Stock Code	<p>Demat : INE155C01010</p> <p>Mumbai Stock Exchange : 524075</p> <p>Delhi Stock Exchange : 01085</p>

10. Market Price Data

Month	Stock Price at Mumbai Stock Exchange		Mumbai Stock Exchange SENSEX	
	High (Rs.)	Low (Rs.)	High	Low
April, 2009	66.00	41.00	11492.10	9546.29
May, 2009	82.40	51.20	14930.54	11621.30
June, 2009	91.80	70.00	15600.30	14016.95
July, 2009	72.50	62.20	15732.81	13219.99
August, 2009	96.00	70.00	16002.46	14684.45
September, 2009	110.95	80.00	17142.52	15356.72
October, 2009	109.80	88.00	17493.17	15805.20
November, 2009	113.85	91.05	17290.48	15330.56
December, 2009	140.00	106.50	17530.94	16577.78
January, 2010	142.90	109.20	17790.33	15982.08
February, 2010	129.00	109.00	16669.25	15651.99
March, 2010	134.90	113.10	17793.01	16438.45

Note :

The Company's shares are listed in Delhi & Mumbai Stock Exchanges. Performance of the Company's shares has been compared with broad based Mumbai Stock Exchange SENSEX.

11. Registrar and Share Transfer Agent

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

12. Share Transfer System

Requests for dematerialisation and transfer of shares in physical form are processed by the Registrar and Share Transfer Agent and approved by the Share Transfer/Shareholders'/Investors' Grievance Committee. The share transfer process is reviewed by the said Committee.

13. Distribution of shareholding as on 31st March, 2010

Equity shares held	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
1-500	6162	91.5874	778283	13.6370
501-1000	326	4.8454	253399	4.4400
1001-2000	120	1.7836	187356	3.2828
2001-3000	33	0.4905	83617	1.4651
3001-4000	25	0.3716	87619	1.5352
4001-5000	14	0.2081	64319	1.1270
5001-10000	19	0.2824	139722	2.4482
10001 and above	29	0.4310	4112847	72.0647
TOTAL :	6728	100.00	5707162	100.00

14. Dematerialisation of shares and Liquidity

The Company has entered into Agreements with both the Depositories registered under the Depositories Act, 1996, i.e. NSDL and CDSL to facilitate holding and trading in shares of the

Company in dematerialised form in accordance with the provisions of the Depositories Act, 1996.

As per SEBI guidelines, equity shares of the Company are compulsorily traded in dematerialised form for all the investors with effect from 1st October, 2000. As on 31st March, 2010, 53,67,188 shares representing 94.04% of the total equity share capital of the Company were held in dematerialised form. The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL is INE155C01010.

**15. Outstanding GDRs/ADRs/Warrants or any convertible instruments
Conversion date and likely impact on equity**

None

16. Plant Locations

- a) at Kolkata : 5/11, D. Gupta Lane, Kolkata-700050
- b) at Ghaziabad : B-12/13, Meerut Road, Industrial Area, Ghaziabad - 201003
- c) at Mandideep : Plot No.207, New Industrial Area No.2, Mandideep - 462046

17. Address for Correspondence

Albert David Limited,
Share Department
15, Chittaranjan Avenue, 2nd Floor,
Kolkata - 700 072
Phone : 2212-9700/9637/9592
Fax : 033-2225-8714, 033-2212-9629
E-Mail : adidavid@cal.vsnl.net.in, ho@adlindia.in
Website : www.albertdavidindia.com

18. Code of business conduct and ethics for Directors & Senior Management

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. As required under Clause 49, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct.

19. CEO & CFO Certification

The Executive Director and the Chief Financial Officer of the company has given certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement.

**For and on behalf of the
Board of Directors**

**Kolkata
Dated : 15th May, 2010**

**(A K Kothari)
Chairman & Managing Director**

AUDITORS' CERTIFICATE

To the Members of Albert David Limited

We have examined the compliance of conditions of Corporate Governance by Albert David Limited, for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions 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 Agreement.

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

**For G. Basu & Co.
Chartered Accountants**

**Place : Kolkata
Date : 15th May, 2010**

**(S. Lahiri)
Partner
Membership No.51717**

auditors' report

TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of ALBERT DAVID LIMITED as at 31st March, 2010 and also the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto.

The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures, in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, our comments on the matters specified in paragraphs 4 and 5 of the said Order are as under :-

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- c) During the year there has been no significant disposal of fixed assets.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) a) The Company has not given any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

- b) In view of our comment in paragraph (iii)(a) above, clauses (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the aforesaid Order are not applicable.
 - c) The company has not taken secured or unsecured loan from companies, firm or other party covered in the register maintained under Section 301 of the Companies Act, 1956.
 - d) In view of our comment in paragraph (iii)(c) above, clauses (iii)(f) and (iii)(g) of paragraph 4 of the aforesaid Order are not applicable..
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods and services . During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v) a) According to the information and explanations given to us, particulars of contracts and arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b) Contracts of sales and purchases and services with parties covered under Section 301 of Companies Act, 1956 were made at prices which were reasonable having regard to prevailing market prices on relevant date.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board, National Company Law Tribunal, Reserve Bank of India or any Court or Tribunal against the company.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the order of the Central Government for maintenance of Cost records under Section 209 (1)(d) of the Companies Act, 1956 in respect of Bulk Drugs and Formulations and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- ix) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues to the extent applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom

Duty, Excise Duty and Cess were in arrears as at 31st March 2010 for a period of more than six months from the date they became payable.

- c) According to the information and explanations given to us, the following dues of Sales Tax, Service Tax, Income Tax, Excise Duty and Cess have not been deposited on account of pending dispute :-

Name of the Statute	Nature of dues	Amount Rs. in lacs	Period to which the amount relates	Forum where dispute is pending
Sales Tax:				
Central Sales Tax Act, 1956	Tax on lease rental	5.74	2002-2003	Calcutta High Court
West Bengal Sales Tax Act, 1994	Tax on replacement and Purchase Tax	6.97	2003-2004	W.B.Com. Taxes Appellate & Revisional Board
Central Sales Tax Act, 1956	Tax on lease rental	2.11	2003-2004	-Do-
West Bengal Sales Tax Act, 1994	Tax on Replacement	0.20	2004-2005	- Do -
Central Sales Tax Act, 1956	Tax on lease rental	3.51	2004-2005	- Do -
-Do-	Tax on lease rental	2.62	2005-2006	- Do -
Service Tax : Service Tax Act	Service Tax on leasing of machinery	8.74	2003-2004 & 2004-2005	Commissioner of Central Excise (Appeal)
- do -	- do -	6.80	2005-2006 & 2006-2007 upto July	-Do-
- do -	Service Tax of GTA Service	0.21	01.04.2005 to 30.09.2005	-Do-
- do -	Payment mode Dispute of GTA Service	16.18	01.04.2007 to 30.09.2007	- Do -
- do -	- do -	7.01	2006-2007	Addl. Commissioner, Excise
Income Tax:: Income Tax Act, 1961	Tax on disallowance of expenditure	0.20	1991-1992	Com. Income Tax (Appeal)
- do -	- do -	6.95	1999-2000	Calcutta High Court
- do -	Tax on disallowed expense relating to exempted income	5.46	2005-2006	Com. Income Tax (Appeal)
Excise Duty: Central Excise Act, 1944	Cenvat on Scrap Sale.	16.46	04.05.2000 to 31.03.2001	Allahabad High Court

-do-	-do-	16.50	01.04.2001 to 31.12.2001	- do -
-do-	- do -	16.15	01.01.2002 to 31.10.2002	- do -
- do -	- do -	34.47	01.11.2002 to 30.06.2003	Central Excise & Service Tax Appellate Tribunal
- do -	- do -	33.29	01.07.2003 to 31.03.2004	- do -
- do -	- do -	22.58	01.04.2004 to 31.03.2005	Addl. Commissioner, Central Excise
- do -	- do -	20.82	01.04.2005 to 31.03.2006	Central Excise & Service Tax Appeallate Tribunal
- do -	- do -	47.15	01.04.2006 to 30.11.2006	- do -
- do -	- do -	35.31	01.12.2006 to 30.08.2007	- do -
- do -	- do -	7.91	01.09.2007 to 31.03.2008	Addl. Commissioner, Central Excise
- do -	- do -	14.68	01.04.2008 to 31.10.2008	Asst. Commissioner, Central Excise
- do -	- do -	18.57	01.11.2008 to 31.12.2008	Addl. Commissioner, Central Excise
- do -	- do -	3.62	01.01.2009 to 28.02.2009	Asst. Commissioner, Central Excise
- do -	Classification of Products	160.84	01.06.2003 to 30.06.2007	Central Excise & Service Tax Appeallate Tribunal
- do -	- do -	55.20	01.07.2007 to 28.02.2008	Addl. Com. Central Excise
- do -	Additional Levy of Duty and valuation of sample	0.99	13.06.1961 to 30.04.1962	Collector of Central Excise
- do -	Valuation of Exports	2.84	08.01.2005 to 31.08.2007	Com. Central Excise (Appeal)
Cess :	Additional Levy	13.47	05.01.1994 to	Allahabad High

Water(Prevention & Control of Pollution) Cess Act, 1977	of Water Cess		31.03.2010	Court
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There were no undeposited disputed dues in respect of Customs Duty and Wealth Tax as on 31st March, 2010.

- x) The Company has no accumulated loss as on 31st March, 2010 and has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a Financial Institution or Bank.
- xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion proper records have been maintained of the transactions and contracts for dealing in securities and timely entries have been made therein ; also the securities have been held by the company in its own name.
- xv) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- xvi) In our opinion, the term loan has been applied for the purpose for which it was raised.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no short term fund was raised by the company which has been used for long term investment during the year under audit.
- xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained u/s 301 of the Act.
- xix) The Company did not issue any Debenture during the year under audit.
- xx) The Company did not make any Public Issue during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Further to our comments as above, we report that :

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
- iii) In our opinion proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
- iv) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this Report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956,
- v) On the basis of written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other notes given the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010;
 - b) In the case of the Profit & Loss Account of the profit of the Company for the year ended on that date; and
 - c) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

For G Basu & Co.
Chartered Accountants

S. LAHIRI
Partner
(Membership No. 51717)

Kolkata
Dated : The 15th May, 2010

ALBERT DAVID LIMITED**BALANCE SHEET AS AT 31st MARCH, 2010****(Rs in Lacs)**

	Schedule	31st March, 2010 Rs.	31st March, 2009 Rs.
SOURCES OF FUNDS :			
1. Shareholders' Funds :			
(a) Share Capital	`A'	570.72	570.72
(b) Reserves and Surplus	`B'	5,734.15	5,006.22
		6,304.87	5,576.94
2. Loan Funds :			
(a) Secured Loans	`C'	3,775.29	4,945.89
(b) Unsecured Loans	`D'	1,769.50	883.37
		5,544.79	5,829.26
3. Deferred Tax Liability:	`I'	718.17	687.69
	TOTAL	12,567.83	12,093.89
APPLICATION OF FUNDS :			
1. Fixed Assets :			
(a) Gross Block	`E'	13,830.92	12,715.70
(b) Less : Depreciation		6,209.47	5,533.01
(c) Net Block		7,621.45	7,182.69
(d) Capital Work-in-Progress		100.37	61.14
		7,721.82	7,243.83
2. Investments :	`F'	1.02	1.02
3. Deferred Tax Assets:	`I'	237.61	206.34
4. Current Assets, Loans and Advances	`G'		
(a) Inventories		3,145.54	3,412.96
(b) Sundry Debtors		2,615.82	2,141.02
(c) Cash and Bank Balances		1,504.58	1,622.37
(d) Loans and Advances		3,272.29	1,510.18
		10,538.23	8,686.53
Less :			
Current Liabilities and Provisions :	`H'		
(a) Liabilities		4,790.06	3,173.22
(b) Provisions		1,140.79	870.61
		5,930.85	4,043.83
Net Current Assets		4,607.38	4,642.70
	TOTAL	12,567.83	12,093.89
Significant Accounting Policies:	`P'		
Notes on Accounts:	`Q'		

The Schedules referred to above and the notes attached form an integral part of the Balance Sheet.

As per our Report attached

For G. Basu & Company
Chartered Accountants

S. LAHIRI
Partner
(Membership No.: 51717)

Kolkata
The 15th May, 2010

S C SHAH
V.P. (Finance) & C.F.O.

INDRAJIT DHAR
Company Secretary

On behalf of the Board

A K KOTHARI
Chairman & Managing Director

K P MUNDHRA
Executive Director

ALBERT DAVID LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

(Rs in Lacs)

	Schedule	Year ended 31st March, 2010 Rs.	Year ended 31st March, 2009 Rs.
INCOME :			
Sales (Gross)	‘J’	20,634.47	19,039.06
Less: Excise Duty (Recovery)		338.68	648.58
		-----	-----
Sales (Net)		20,295.79	18,390.48
Miscellaneous Income	‘K’	155.02	213.50
		-----	-----
		20,450.81	18,603.98
EXPENDITURE :			
Raw Materials Consumed	‘L’	3,210.82	2,837.74
Purchase of Medical Equipment and other Trading Goods		639.22	248.47
Packing Materials and Containers Consumed		2,925.22	2,880.58
Employees' remuneration and benefits	‘M’	4,141.25	3,942.96
Manufacturing, Administrative, Selling and Distribution Expenses	‘N’	6,843.14	6,271.35
		-----	-----
		17,759.65	16,181.10
Less/(Add): Increase/(Decrease) in Finished and Process Stock	‘O’	-214.73	-409.27
		-----	-----
		17,974.38	16,590.37
GROSS PROFIT :		2,476.43	2,013.61
Less : Depreciation		904.83	795.15
		-----	-----
PROFIT BEFORE EXCEPTIONAL AND NON RECURRING ITEMS AND TAX		1,571.60	1,218.46
EXCEPTIONAL AND NON RECURRING ITEMS		---	---
		-----	-----
PROFIT BEFORE TAX		1,571.60	1,218.46
Less: Provision for Taxation :			
Current		545.00	399.00
Deferred		-0.80	26.78
Fringe Benefit		---	45.00
Fringe Benefit Tax for Earlier Years		---	1.40
Add: Income Tax Provision for Earlier Years Written back		---	6.35
		-----	-----
PROFIT AFTER TAX		1,027.40	752.63
Add : Balance brought forward from Previous year		422.09	903.16
		-----	-----
Balance Available for Appropriation		1,449.49	1,655.79
		=====	=====
APPROPRIATION :			
Proposed Dividend		256.82	199.75
Corporate Dividend Tax		42.65	33.95
General Reserve		700.00	1,000.00
Balance carried to Balance Sheet		450.02	422.09
		-----	-----
		1,449.49	1,655.79
		=====	=====
Earning per Share - (In Rs.)		18.00	13.19
Basic and Diluted (Nominal value of Share Rs.10/-) (Before and after exceptional and non-recurring items)			
Significant Accounting Policies:	‘P’		
Notes on Accounts:	‘Q’		

The Schedules referred to above and the notes attached form an integral part of the Profit and Loss Account.

As per our Report attached

For G. Basu & Company
Chartered Accountants

S. LAHIRI
Partner
(Membership No.: 51717)

Kolkata
The 15th May, 2010

S C SHAH
V.P. (Finance) & C.F.O.

INDRAJIT DHAR
Company Secretary

On behalf of the Board

A K KOTHARI
Chairman & Managing Director

K P MUNDHRA
Executive Director

ALBERT DAVID LIMITED

CASH-FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2010

	<u>2009-2010</u> <u>Rs. in Lacs</u>	<u>2008-2009</u> <u>Rs. in Lacs</u>
A. <u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit/(Loss) before Taxation and extra-ordinary items	1,571.60	1,218.46
Adjustment for :		
Depreciation	904.83	795.15
Interest debited to Profit & Loss Account	383.52	515.11
Interest Received / Receivable	-18.44	-14.80
Profit on Sale of Fixed Assets	-0.45	-2.80
Dividend Received	-1.31	-0.02
Unrealised exchange loss/(gain)	-4.26	5.56
Loss on Sale of Fixed Assets	10.10	4.32
Provision for Doubtful Debts & Advances	4.92	0.69
	-----	-----
Operating Profit before Working Capital changes	2,850.51	2,521.67
Adjustment for :		
Trade receivable	-480.04	-282.48
Loans & Advances	-1,774.81	-329.36
Inventories	267.42	318.68
Trade payables	1,672.52	733.10
	-----	-----
Cash Generated from Operations	2,535.60	2,961.61
Interest paid	-392.74	-515.39
Direct Taxes Paid	-449.31	-398.49
	-----	-----
Net Cash Flow from operating activities	1,693.55	2,047.73

ALBERT DAVID LIMITED

	2009-2010 Rs. in Lacs	2008-2009 Rs. in Lacs
B. <u>CASH FLOW FROM INVESTING ACTIVITIES:</u>		
Purchase of Fixed Assets	-1,358.44	-888.89
Sale/Discard of Fixed Assets	21.28	16.08
Interest Received	17.87	12.00
Increase/Decrease in Capital work-in-progress	----	----
Disbursement of Inter corporate Loan	-100.00	-105.00
Repayment of Inter corporate loan	100.00	105.00
Purchase of Investments	-2,304.65	-20.00
Sale of Investments	2,304.65	20.00
Dividend Received	1.31	0.02
Net Cash used in investing activities	-1,317.98	-860.79
C. <u>CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Proceeds from long term borrowings	----	516.52
Proceeds from short term borrowings	1,242.89	928.93
Repayment of long term borrowings	-857.38	-855.00
Repayment of short term borrowings	-646.70	-664.15
Dividend Paid (inclusive of Tax on Dividend)	-232.17	-199.21
Repayment of liabilities to Redeemable Preference sharehold	----	----
Net Cash used in financing activities	-493.36	-272.91
Net increase in Cash and Cash Equivalents	-117.79	914.03
Opening Cash and Cash Equivalents	1,622.37	708.34
Closing Cash and Cash Equivalents	1,504.58	1,622.37
	=====:	=====:
Closing Cash and Cash Equivalents consists of the following:		
Cash in Hand	2.73	3.33
Bank Balance with Schedule Banks:		
On Current Account	1,399.56	1,521.28
On Fixed Deposit Account	88.00	85.00
On Unpaid Dividend Account	14.29	12.76
	1,504.58	1,622.37
	=====:	=====:

Notes:

The above Cash Flow Statement has been prepared under indirect method as per Accounting Standard 3 on "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

	As per our Report attached		On behalf of the Board
	For G. Basu & Company <i>Chartered Accountants</i>	S C SHAH <i>V.P. (Finance) & C.F.O.</i>	A K KOTHARI <i>Chairman & Managing Director</i>
Kolkata The 15th May, 2010	S. LAHIRI <i>Partner</i> (Membership No.: 51717)	INDRAJIT DHAR <i>Company Secretary</i>	K P MUNDHRA <i>Executive Director</i>

SCHEDULES : FORMING PART OF THE ACCOUNTS

SCHEDULE - A

(Rs in Lacs)

	31st March, 2010 Rs.	31st March, 2009 Rs.
SHARE CAPITAL :		
Authorised :		
9,700,000 Equity Shares of Rs.10/- each	970.00	970.00
30,000 Preference Shares of Rs.100/- each	30.00	30.00
	1000.00	1000.00
Issued, Subscribed and Paid-up :		
5,707,162 Equity Shares of Rs.10/- each fully paid up.	570.72	570.72
	570.72	570.72
	570.72	570.72

(Above includes 21,850 and 1,00,640 Equity Shares of Rs.10/- each allotted as fully paid up without consideration of cash pursuant to a contract and amalgamation respectively.)

SCHEDULE - B

	31st March, 2010 Rs.	31st March, 2009 Rs.
RESERVES AND SURPLUS :		
Capital Reserve :		
As per last Balance Sheet	34.90	34.90
Securities Premium Account :		
As per last Balance Sheet	314.72	314.72
Capital Redemption Reserve :		
As per last Balance Sheet	8.45	8.45
General Reserve :		
As per last Balance Sheet	4226.06	3226.06
Add: Transfer from Profit & Loss Account	700.00	1000.00
	4926.06	4226.06
Profit & Loss Account :		
	450.02	422.09
	5734.15	5006.22
	5734.15	5006.22

SCHEDULE - C

(Rs in Lacs)

	31st March, 2010 Rs.	31st March, 2009 Rs.
SECURED LOANS :		
Short Term Loan from State Bank of India:		
Rupee Loan	1505.49	1768.28
Foreign Currency Loan	273.48	303.18
Interest accrued and due	2.17	---
(Secured by hypothecation of Inventories and Book Debts and charge on fixed assets of the company)		
Term loan from State Bank of India :		
Rupee Loan	1067.32	2846.25
Foreign Currency Loan	911.60	---
Interest accrued and due	15.23	28.18
(Exclusive first charge on Plant and Machinaries and other movable assets acquired / to be acquired and Equitable Mortagage on entire Land and Building of Kolkata Factory and Extensions of second charge on other fixed assets of the Company at Ghaziabad and Mandideep Units and extension of hypothecation charge over the Company's entire current assets both existing and future.)		
	----- 3775.29 =====	----- 4945.89 =====

SCHEDULE - D

	31st March, 2010 Rs.	31st March, 2009 Rs.
UNSECURED LOANS :		
Short Term loan from Bank	745.82	---
' (Under Buyer's Credit arrangement in Foreign Currency)		
Loans : (Other than bank)		
Fixed Deposit (Public) (Repayable within one year)	713.50	587.50
Deposit (Cover Money) Stockist	310.18	295.87
	----- 1769.50 =====	----- 883.37 =====

SCHEDULE - E

FIXED ASSETS :

(Rs in Lacs)

Description	Cost				Depreciation				Net Block	
	As at 1st April 2009	Additions During The Year	Deletions/ Adjustment During The Year	As at 31st March 2010	As at 1st April 2009	For The Year	Deletions/ Adjustment During The Year	Upto 31st March 2010	As at 31st March 2010	As at 31st March 2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	4.54	...	...	4.54	...	...	...	...	4.54	4.54
Leasehold Land	22.64	...	...	22.64	...	...	...	...	22.64	22.64
Buildings	1816.00	85.61	...	1901.61	351.32	63.70	...	415.02	1486.59	1464.68
Machinery	9677.35	1126.54	200.59	10603.30	4670.74	762.93	192.31	5241.36	5361.94	5006.61
Tubewell	15.75	...	...	15.75	3.81	0.25	...	4.06	11.69	11.94
Lab.Equipment & Fittings	413.72	28.53	14.28	427.97	116.94	20.18	11.41	125.71	302.26	296.78
Furniture & Fittings	336.86	51.99	1.15	387.70	177.75	20.38	0.98	197.15	190.55	159.11
Office Equipment	40.31	5.95	1.71	44.55	16.92	2.44	1.08	18.28	26.27	23.39
Typewriter & Duplicator	2.79	...	...	2.79	2.58	0.04	...	2.62	0.17	0.21
Refrigerator & Air Conditioners	49.18	6.01	1.35	53.84	16.26	2.45	0.91	17.80	36.04	32.92
Vehicles	162.05	47.91	30.99	178.97	48.78	16.76	12.80	52.74	126.23	113.27
Computer	174.51	21.99	9.24	187.26	127.91	15.70	8.88	134.73	52.53	46.60
Capital Work In Progress	12715.70	1374.53	259.31	13830.92	5533.01	904.83	228.37	6209.47	7621.45	7182.69
	...	...	...	...	...	...	...	...	100.37	61.14
TOTAL	12715.70	1374.53	259.31	13830.92	5533.01	904.83	228.37	6209.47	7721.82	7243.83
Previous Year	12102.60	693.50	80.40	12715.70	4800.67	795.15	62.81	5533.01	7243.83	

SCHEDULE - F

(Rs in Lacs)

	31st March, 2010 Rs.	31st March, 2009 Rs.
INVESTMENTS:		
A. Long Term:		
Fully Paid Shares (Unquoted)		
Trade:		
10,000 Nos. Equity Shares of Rs.10/- each fully paid up in Adeiq International Ltd.	1.00	1.00
Other than Trade:		
5 Nos. Equity Shares of Rs. 50/- each fully paid up in Sheila Mahal Co-Operative Housing Society Limited	0.01	0.01
5 Nos. Equity Shares of Rs. 50/- each fully paid up in Mangal Karini Co-operative Housing Society Limited	0.01	0.01
B. Current Investment (Other than trade):	...	...
	-----	-----
	1.02	1.02
	=====	=====

Current Investment includes following purchase and sale during the year.

<u>Particulars</u>	<u>Face Value Per Unit</u>	<u>No.of Units Purchased/Sold</u>
SBI-Magnum Insta Cash Fund - Daily Dividend Reinvestment	Rs.10/-	1,253,848.828
SBI-SHF-Ultra Short Term Fund Institutional Plan - D.D.R.	Rs.10/-	1,499,744.566
Reliance Liquid Fund - T.P. Retail Daily Dividend Reinvestment	Rs.10/-	656,877.666
Reliance Money Manager Fund - Retail Daily Dividend Reinvestment	Rs.1000/-	7,026.112
HDFC Cash Management Fund - Savings Plan - D.D.R.	Rs.10/-	3,011,167.929
HDFC Floating Rate Income Fund - S.T.P. Retail - D.D.R.	Rs.10/-	496,357.845
UTI Money Market Fund - Daily Dividend Reinvestment	Rs.10/-	478,219.152
J.M. High Liquidity Fund - Super Institutional Plan - D.D.R.	Rs.10/-	6,801,708.046
J.M. Money Manager Fund - Super Plus Plan - D.D.R.	Rs.10/-	3,751,574.423

SCHEDULE - G

(Rs in Lacs)

	31st March, 2010 Rs.	31st March, 2009 Rs.
CURRENT ASSETS, LOANS & ADVANCES :		
A. Current Assets :		
Inventories :		
Raw Materials	653.97	687.06
Stores & Spare Parts	285.32	286.10
Containers & Packing Materials	569.87	588.69
Finished Goods	1366.02	1603.61
Work-in-Progress	270.36	247.50
	-----	-----
	3145.54	3412.96
Sundry Debtors (Unsecured) :		
Debts outstanding for a period exceeding six months		
Considered Good	321.94	250.60
Considered Doubtful	62.51	57.97
	-----	-----
	384.45	308.57
Less : Provision for Doubtful Debts	62.51	57.97
	-----	-----
	321.94	250.60
Other Debts, Considered good	2293.88	1890.42
	-----	-----
	2615.82	2141.02
Cash & Bank Balances :		
Cash in Hand	2.73	3.33
With Scheduled Banks on:		
Current Accounts	1399.56	1521.28
Unclaimed Dividend Account	14.29	12.76
Fixed Deposits Account	88.00	85.00
	-----	-----
	1504.58	1622.37
B. Loans & Advances (Unsecured, Considered Good Unless stated otherwise)		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	2114.45	488.49
Considered Doubtful	1.70	1.32
	-----	-----
	2116.15	489.81
Less : Provision for Doubtful Advances	1.70	1.32
	-----	-----
	2114.45	488.49
Interest Receivable	9.58	9.00
Security Deposit	178.80	175.58
Deposits with Govt. Authorities	953.46	821.11
Fringe Benefit Tax Advance	16.00	16.00
(Net of Provision for Fringe Benefit Tax Rs.165.90 Previous Year Rs.165.90)	-----	-----
	3272.29	1510.18
	-----	-----
	10538.23	8686.53
	=====	=====

SCHEDULE - H

(Rs in Lacs)

	31st March, 2010 Rs.	31st March, 2009 Rs.
CURRENT LIABILITIES & PROVISIONS :		
Current Liabilities :		
Acceptances	93.43	185.53
Sundry Creditors :		
(Other than Micro & Small Scale Enterprises)		
For Goods	729.24	692.06
For Expenses	1,531.50	1,638.83
For Capital Expenditure	142.38	87.07
Dues to Micro & Small Scale Enterprises		
For Goods	22.03	22.66
Other Liabilities	2,217.29	512.88
Advance from Customers	34.52	17.61
Unclaimed Redeemable Preference Shares	3.82	3.82
Interest Accrued but not due on loans	1.56	---
Investor Education and Protection Fund to be credited by:		
Unpaid Dividend	14.29	12.76
	-----	-----
	4,790.06	3,173.22
	-----	-----
Provisions :		
For Income Tax	188.88	93.18
(Net of Income Tax Advance Rs.2,646.08 Previous year Rs.2,196.78)		
For Proposed Dividend	256.82	199.75
For Corporate Dividend Tax	42.65	33.95
For Gratuity	173.56	151.96
For Leave Salary	478.88	391.77
	-----	-----
	1,140.79	870.61
	-----	-----
	5,930.85	4,043.83
	=====	=====

SCHEDULE - I

	31st March, 2010 Rs.	31st March, 2009 Rs.
DEFERRED TAX		
Deferred Tax Assets and Liabilities are attributable to the following items:		
A. Liabilities:		
Depreciation	718.17	687.69
	=====	=====
B. Assets:		
Provision for Leave Salary	162.04	132.44
Provision for Gratuity	56.20	56.20
Provision for Doubtful Debts & Advances	19.37	17.70
	-----	-----
	237.61	206.34
	-----	-----
Net deferred tax provided during the year in Profit & Loss account	-0.80	26.78

SCHEDULE - J

(Rs in Lacs)

	2009-2010 Rs.	2008-2009 Rs.
SALES (GROSS) :		
Sales	23000.26	21217.77
Less : Trade Discount	2365.79	2178.71
	-----	-----
	20634.47	19039.06
	=====	=====

SCHEDULE - K

	2009-2010 Rs.	2008-2009 Rs.
MISCELLANEOUS INCOME :		
Interest Received (Tax deducted Rs.2.03 Previous year Rs.2.71)		
From Banks	7.56	8.04
Other than Banks	10.88	6.76
Miscellaneous Receipts	100.41	127.01
Dividend on Current Investment - other than Trade	1.31	0.02
Profit on Sale of Fixed Assets	0.45	2.80
Claim Receipts	13.93	50.76
Excess Liabilities Written Back	19.75	18.11
Difference in Exchange Rate (Net)	0.73	---
	-----	-----
	155.02	213.50
	=====	=====

SCHEDULE - L

	2009-2010 Rs.	2008-2009 Rs.
RAW MATERIALS CONSUMED :		
Opening Stock	687.06	689.94
Add : Purchases during the year	3177.73	2834.86
	-----	-----
	3864.79	3524.80
Less : Closing Stock	653.97	687.06
	-----	-----
	3210.82	2837.74
	=====	=====

SCHEDULE - M

	2009-2010 Rs.	2008-2009 Rs.
EMPLOYEES' REMUNERATION & BENEFITS :		
Salaries, Wages & Bonus	3402.54	3258.62
Gratuity	93.87	101.62
Contribution to Provident & Other Funds	267.84	235.57
Workers & Staff Welfare Expenses	377.00	347.15
	-----	-----
	4141.25	3942.96
	=====	=====

SCHEDULE - O

(Rs in Lacs)

2009-2010

2008-2009

Rs.

Rs.

**INCREASE /(DECREASE) IN FINISHED
AND PROCESSED STOCKS :****Opening Stock :**

Finished Goods

1603.61

2041.66

Work-in-progress

247.50

218.72

1,851.11-----
2,260.38**Closing Stock:**

Finished Goods

1366.02

1603.61

Work-in-progress

270.36

247.50

1,636.38-----
1,851.11-----
-214.73-----
-409.27

=====

=====

SCHEDULE - P

SIGNIFICANT ACCOUNTING POLICIES :

1. Basis of Accounting :

The financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the generally accepted accounting principals in India, the applicable mandatory Accounting Standards by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates :

The preparation of financial statements require estimates and assumptions to be made that affect reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known / materialised.

3. Fixed Assets :

Fixed Assets are stated at cost inclusive of installation, interest for construction period and other attributable expenses less depreciation.

4. Depreciation :

Depreciation is provided on "Straight Line Method" at the rates prescribed in Schedule XIV of the Companies Act, 1956.

5. Inventories :

Inventories are valued at lower of cost and net realisable value.

Cost formula are as follows:

Raw Material, Consumable Stores, Spares,
Packing Materials and Trading Goods

- on FIFO basis.

Finished Goods & Work-in-Progress

- at cost of input (on FIFO basis) plus labour and related manufacturing overhead including depreciation.

Scrap Materials

- at net realisable value.

6. Retirement Benefits:

Liabilities in respect of retirement benefits to employees are provided as follows:-

A. Defined Benefit Plan.

(a) Leave Salary of employees on the basis of actuarial valuation as per AS 15 (Revised) under Projected Credit Unit method.

(b) Gratuity obligation of employees, which is managed by Life Insurance Corporation of India, on the basis of actuarial valuation as per AS 15 (Revised) under Projected Credit Unit method.

B. Defined Contribution Plans:

Provident Fund & E.S.I. on the basis of actual liability accrued and paid to trust / authority.

7. Foreign Currency Transaction :

(a) Year-end balance of foreign currency transactions is translated at the year-end rates and the corresponding effect is given in the respective accounts. Transactions completed during the year are accounted for at currency rate ruling on the date of transaction. Impact of exchange difference between the date of transaction and the date of payment thereon is recognised in Profit and Loss account as exchange loss or gain.

(b) In respect of transactions covered by Forward Foreign Exchange Contracts, the difference between the forward rate and exchange rate at the inception of contract is recognised as income or expense over the life of the contract.

SCHEDULE - P (Contd.)

8. Recognition of Income & Expenditure :

- (a) Sales are recognised at the point of transfer of goods/title of goods. Export sales includes export incentive
- (b) Purchases are recognised at the point of transfer of goods / title of goods. It includes all expenses incidental to procurement.
- (c) All Items of Income and Expenditure are recognised on accrual basis.

9. Research & Development :

Revenue expenditure on Research & Development has been charged to Profit & Loss Account.

10. Investment :

Long term Investments are stated at cost net of provision against diminution if any in carrying cost of investment other than decline of temporary nature. Current investments are held at lower of cost and market price.

11. Contingent Liabilities and Provision :

Claims against the company not acknowledged as debts and under appeal for which no reliable estimate can be made of amount involved or which may not probably require an outflow of resources are not provided for in the accounts but disclosed by way of notes to accounts. However, disputed claims for which reliable estimate can be made for probable outflow of resources are recognised in accounts.

12. Taxes on Income :

Current Tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax liabilities and assets are recognised at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

13. Borrowing Cost :

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for use. All other borrowing costs are charged to revenue.

14. Impairment of Fixed Assets.

Test of impairment of fixed assets is undertaken on the basis of cash generating unit concept if indication of impairment exists within the meaning of clause 5 to clause 13 of Accounting Standard 28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India. Impairment loss being the excess of book value over recoverable value of assets, if any, is charged to revenue of the year.

Reversal of impairment loss recognised in earlier years is made if there is an indication that the impairment loss has decreased or does not exist.

SCHEDULE - Q

NOTES ON ACCOUNTS:

1. Contingent Liabilities not provided for :

	2009-2010 ----- Rs.in lacs	2008-2009 ----- Rs.in lacs
i) Excise Matters	721.78	707.56
ii) Sales Tax Matters	29.65	34.37
iii) Counter guarantees	222.96	212.51
iv) Others	70.83	50.10

2. Estimated amount of contract remaining to be executed on capital account and not provided for Rs. 101.81 lacs (net of advance Rs.5.17 lacs) (Previous year Rs.100.40 lacs, net of advance Rs. 11.38 lacs)

3. Executive and Managing Director's Remuneration (paid under schedule - XIII of the Companies Act,1956):

	2009-2010 ----- Rs.in lacs	2008-2009 ----- Rs.in lacs
(a) Salary	64.65	50.70
(b) Contribution to Provident Fund	7.76	6.08
(c) Other Perquisites(excluding Gratuity and Leave Salary lying unavailed)	11.34	9.55
	----- 83.75 =====	----- 66.33 =====

4. Related Party Disclosure:

Related Party disclosures as required under AS-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:-

(a) Transaction with Related Parties During the Year.

Rs. in Lacs

Nature of Transaction	Associates	Key Management Personnel	Total	Outstanding 31.03.2010
	Rs.		Rs.	Rs.
Sale of Goods/ Raw Material	— (3.97)	— (-----)	— (3.97)	— (3.97)
Rendering of Services	68.99 (-----)	----- (-----)	68.99 (-----)	----- (-----)
Corporate Guarantee Commission paid	0.97 (0.97)	----- (-----)	0.97 (0.97)	----- (-----)
<u>Finance :</u>				
Loans taken	— (100.00)	----- (-----)	— (100.00)	Nil (-----)
Interest Paid	— (2.78)	----- (-----)	— (2.78)	— (-----)
Loans given	100.00 (105.00)	----- (-----)	100.00 (105.00)	----- (-----)
Interest Received	4.28 (0.63)	----- (-----)	4.28 (0.63)	----- (-----)
Director's Remuneration and Fees	— (-----)	83.75 (66.53)	83.75 (66.53)	----- (-----)

Figures in bracket relate to previous year

SCHEDULE - Q (Contd.)

(b) Name of related parties in transaction with the company and description of relationship:

Entities over which key management personnel or his / their relatives are able to exercise significant influence :-

Kothari & Co. Pvt. Ltd.
Claro India Ltd.
Kothari Medical Centre.

Key Management Personnel :

Sri A.K.Kothari - Chairman & Managing Director.

Sri K.P. Mundhra - Executive Director.

5. Earning per share:

	2009-2010 ----- Rs.in lacs	2008-2009 ----- Rs.in lacs
Profit after taxation computed as per profit and loss account (Before exceptional and non-recurring items)	1027.40	752.63
Profit after taxation as per profit and loss account (After exceptional and non-recurring items)	1027.40	752.63
Weighted average number of equity shares outstanding	5707162	5707162
Basic and diluted earnings per share in rupees (face value - Rs 10 per share) (Before exceptional and non-recurring items)	18.00	13.19
Basic and diluted earnings per share in rupees (face value - Rs 10 per share) (After exceptional and non-recurring items)	18.00	13.19

6. Segment Reporting:

Based on the guiding principles given in Accounting Standard on Segment Reporting (AS-17) issued by the Institute of Chartered Accountants of India, the company's primary business Segment is Pharmaceuticals. As the Company's business activity falls within a single primary business segment the disclosure requirements of AS-17 in this regard are not applicable. Geographical segment reporting of the company is also not applicable as export sales constitute less than 10% of the total sales of the company.

7. Employee Benefits:

Details of employee benefits considered in these accounts in keeping with Accounting Standard 15 (Revised) issued by the Institute of Chartered Accountants of India (also refer note 6 of Significant Accounting Policies above).

SCHEDULE - Q (Contd.)

- a. The company has recognized, in the profit and loss account of the year ended 31.03.2010, an amount of Rs 295.27 Lacs (Previous Year Rs.270.95 Lacs) expenses under defined contribution plans. Details given below:-

	2009-2010 ----- Rs.in lacs	2008-2009 ----- Rs.in lacs
Benefit (Contribution to)		
Provident Fund etc.	267.84	235.57
Employee's State Insurance Scheme	27.43	35.38

- b. Particulars in respect of post retirement / other long term defined benefit plans of the Company are as follows :

Description	Rs.in lacs			
	Gratuity (Funded) 2009-2010	Gratuity (Funded) 2008-2009	Leave Salary (Unfunded) 2009-2010	Leave Salary (Unfunded) 2008-2009
1. Reconciliation of opening and closing balances of obligation				
a. Obligation at the beginning of the year	889.68	808.88	391.77	359.11
b. Current Service Cost	88.60	78.47	40.38	16.56
c. Interest Cost	70.37	63.69	32.65	28.15
d. Actuarial (gain)/loss	-3.40	10.48	91.67	79.43
e. Benefits paid	58.34	-71.84	-77.59	-91.48
f. Obligation at the end of the year	986.91	889.68	478.88	391.77
2. Change in Plan Assets (Reconciliation of opening & closing balances)				
a. Fair Value of Plan assets at the beginning of the year	737.72	601.27	—	—
b. Expected return on plan assets	67.33	56.30	—	—
c. Actuarial gain / (loss)	—	—	—	—
d. Contributions by the employer	66.64	151.99	77.59	91.48
e. Benefits paid	-58.34	-71.84	-77.59	-91.48
f. Fair Value of Plan assets at the end of the year	813.35	737.72	—	—
3. Reconciliation of fair value of plan assets and present value of defined benefit obligations:				
a. Fair Value of Plan assets at the end of the year	813.35	737.72	—	—
b. Present value obligation at the end of the year	986.91	889.68	478.88	391.77
c. (Liabilities)/Assets recognized in the balance sheet	-173.56	-151.96	-478.88	-391.77
4. Expenses recognized in the year				
a. Current Service Cost	88.60	78.47	40.38	16.56
b. Interest Cost	70.37	63.69	32.65	28.15
c. Expected return on plan assets (gain)/loss	-67.33	-56.30	—	—
d. Actuarial (gain)/loss	-3.40	10.48	91.67	79.43
e. Expense recognized in the period (a+b+c+d)	88.24	96.34	164.70	124.14
5. Investment Details:	% invested as at 31st March 2010	% invested as at 31st March 2009		
Reimbursement right (LIC Group Gratuity - Cash Accumulation Policy)	100.00	100.00	—	—

SCHEDULE - Q (Contd.)

The expenses for the above mentioned benefits have been disclosed under the following line items:

Gratuity - Retirement Benefits under Employee's remuneration and benefits.
 Leave Salary - Salary, Wages & Bonus under Employee's remuneration and benefits.

c.	Actuarial Assumption:	<u>2009-2010</u>	<u>2008-2009</u>
	Discount rate (%)	7.50% p.a.	7.50% p.a.
	Rate of increase in Salary	5.00% p.a.	5.00% p.a.
	Method for actuarial valuation	Projected unit credit method.	Projected unit credit method.
8.	With reference to item 14 of Significant Accounting Policies in Schedule P above the company has not found any indication of impairment of assets and accordingly no further exercise for calculating impairment loss has been under taken.		
9.	Amount Due to Micro and Small Enterprises		
	The Identification of Micro and Small Enterprises Suppliers as defined under "The Micro, Small and Medium Enterprises Development Act 2006" is based on the information available with the management. As certified by the Management, the amounts overdue as on March 31, 2010 to Micro and Small Enterprises on account of principal amount together with interest, aggregate to Rs. Nil (Previous year Rs. Nil)		
10.	Addition to Fixed Assets reduced by Rs.39.50 lacs (Previous Year Rs.Nil) on account of exchange difference during the year.		
11.	Movement of Provision for Income Tax.	2009-10	2008-09
		----- Rs.in lacs	----- Rs.in lacs
	Opening provision	2,289.96	2,390.97
	Add : Provision made for the year	545.00	399.00
	Less: Provision adjusted against advance	---	493.66
	Less: Excess provision written back	---	6.35
	Closing provision	----- 2,834.96 =====	----- 2,289.96 =====
12.	Nominal amount of Forward Contracts entered into by Company and outstanding as at 31st March 2010 amount to Rs. 1930.90 lacs (Previous Year Rs.303.18 lacs).		

SCHEDULE - Q (Contd.)

13. Details of uncovered Foreign Currency exposure as at Balance Sheet date :

	<u>As at 31.03.2010</u> Rs.in lacs	<u>As at 31.03.2009</u> Rs.in lacs
Sundry Debtors	268.88	99.75
Sundry Creditors	311.51	313.15
Loans & Advances	0.46	—
	-----	-----
	580.85	412.90
	=====	=====

14. The company has given certain Plant and Machinery under a non-cancellable operating lease in earlier year for a period of 117 months. The terms of the lease include operating term for renewal and restrict the right to cell, sub-let or allow any third person to use the machinery without the prior consent of the company in writing. Initial Direct cost for such leases are borne by the lessor.

Lease rentals are recognised as income which was Rs.26.33 lacs during the year (Previous Year Rs.26.33 lacs). The gross value and accumulated depreciation of such asset as at 31st March 2010 was Rs 171.26 lacs (Previous Year Rs .171.26 lacs) and Rs.142.11 lacs (Previous Year Rs 124.40 lacs) respectively. The future minimum lease rental receivable by the company at the year end are as follows:

	2009-10 ----- Rs.in lacs	2008-09 ----- Rs.in lacs
Not later than one year	26.33	26.33
Later than one year and not later than five year	13.16	39.49
Later than five year	—	—

15. Figures for the previous year have been rearranged and regrouped wherever necessary.

SCHEDULE - Q (Contd.)

16. Information pursuant to Schedule VI of the Companies Act,1956.

I. Capacity, Production and Stocks :

A. Pharmaceutical Preparation :

Class of Goods	Unit	Installed Capacity (Annual)	Production for the Year	Stock of Goods Produced/Traded			
				Opening Stock		Closing Stock	
				Qty.	Value (Rs.in Lacs)	Qty.	Value (Rs.in Lacs)
a) Non-Sterile Liquid Elixir & Vitamin	K.L.	4,500.00 (4,500.00)	1,012.44 (1,600.55)	204.78 (168.23)	310.68 (226.06)	166.22 (204.78)	219.76 (310.68)
b) Ointment	M.T.	345.00 (345.00)	44.70 (45.07)	5.40 (4.28)	48.57 (50.54)	6.26 (5.40)	53.78 (48.57)
c) Tablets	Lacs	11,700.00 (11,700.00)	1,231.95 (1,113.31)	164.34 (121.69)	180.51 (167.33)	194.74 (164.34)	296.46 (180.51)
d) Sterile Small Volume Injectable/ Eye drops	K.L.	669.00 (669.00)	88.97 (140.09)	42.94 (30.84)	340.10 (177.68)	26.88 (42.94)	270.12 (340.10)
e) Sterile Large Volume Injectable	K.L.	34,013.00 (31,522.00)	20,752.66 (15,862.79)	1,332.14 (5,561.63)	415.06 (1,046.45)	766.27 (1,332.14)	246.69 (415.06)
f) Powders & Granules	M.T.	150.00 (150.00)	--- (---)	--- (---)	--- (---)	--- (---)	--- (---)
g) Capsules	Lacs	2,250.00 (2,250.00)	549.81 (590.05)	119.12 (146.67)	109.39 (213.90)	59.55 (119.12)	51.47 (109.39)
h) Bulk Drugs	M.T.	175.00 (175.00)	6.97 (7.89)	0.30 (0.93)	6.32 (5.57)	0.43 (0.30)	10.36 (6.32)
i) I.V. Sets	Lacs	--- (---)	--- (---)	0.91 (0.25)	2.71 (0.76)	--- (0.91)	--- (2.71)
j) Disposable Syringes	Lacs	1,500.00 (1,500.00)	46.29 (23.93)	3.95 (33.61)	2.58 (26.53)	2.29 (3.95)	1.65 (2.58)
k) Disposable Needles and Parts	Lacs	3,000.00 (3,000.00)	634.39 (1,013.80)	184.94 (169.64)	76.48 (59.37)	199.00 (184.94)	57.28 (76.48)
l) Disposable Syringes & Needles	Lacs	--- (---)	599.04 (510.90)	85.59 (57.89)	92.68 (59.61)	99.00 (85.59)	113.39 (92.68)
m) Capsule (Trading)	Lacs	--- (---)	--- (---)	4.85 (3.68)	10.72 (7.86)	7.63 (4.85)	16.96 (10.72)
n) Syrup Trading	K.L.	--- (---)	--- (---)	7.91 (---)	7.81 (---)	12.53 (7.91)	11.22 (7.81)
o) Tablets (Trading)	Lacs	--- (---)	--- (---)	--- (---)	--- (---)	8.23 (---)	16.88 (---)

- Notes: 1. Licensed Capacity is not applicable to any of the goods manufactured by the company.
2. Install Capacities are as certified by the technical officer of the Company
3. Actual production of Bulk Drugs includes captive consumption.
4. Figures in brackets relate to Previous year.

SCHEDULE - Q (Contd.)

B. Purchased during the year :

Class of Goods	Unit	Figures for the Current Year		Figures for the Previous Year	
		Quantity	Value (Rs.in Lacs)	Quantity	Value (Rs.in Lacs)
I.V. Sets	Lacs	3.34	13.05	7.84	23.02
Capsules	Lacs	60.20	147.08	71.32	153.81
Syrup	K.L.	480.46	452.35	71.84	71.64
Tablets	Lacs	12.45	26.74	---	---

II. Break-up of Sales :

Tablets	Lacs	1,151.84	2,566.39	1,046.52	1,951.99
Small Volume Injectibles	K.Ltr.	102.48	3,408.79	120.46	3,209.75
Large Volume Injectibles	K.Ltr.	21,318.53	6,723.04	20,092.28	6,131.88
Liquids	K.Ltr.	957.32	2,887.60	1,414.31	3,129.23
Bulk Drugs	M.T.	4.03	28.97	3.36	16.70
Capsules	Lacs	609.38	1,698.50	558.18	1,629.90
Ointment	M.T.	41.45	807.18	41.81	745.61
I.V. Sets	Lacs	4.25	16.24	7.18	23.05
Disposable Syringes & Needles	Lacs	1,253.91	1,048.04	1,535.29	1,104.33
Capsules (Trading)	Lacs	57.42	245.89	70.15	287.83
Syrup Trading	K.Ltr.	475.84	772.32	63.93	92.45
Others (Export Incentive)			92.83		67.76
			20,295.79		18,390.48

III. Raw Materials Consumed :

Vitamins	M.T.	6.00	57.37	9.52	108.19
Lactulose Concentrate	M.T.	281.38	369.94	274.83	417.98
Sorbitol	M.T.	280.83	79.86	274.73	82.39
Dextrose Anhydrous	M.T.	670.46	247.61	442.46	196.23
Urso Deoxychoic Acid	M.T.	3.80	683.85	2.97	505.01
Essence, Oils & Drugs	K.Ltr/M.T.	292.45	605.97	275.54	586.49
Others			1,166.22		941.45
			3,210.82		2,837.74

SCHEDULE - Q (Contd.)

IV. Value of Raw/Packing Materials and Stores Consumed :

	Value Rs.in Lacs	Percentage of Total Consumption	Value Rs.in Lacs	Percentage of Total Consumption
a) Imported	2,438.85	38.88	2,292.46	39.28
b) Indigenous	3,834.63	61.12	3,543.73	60.72
	6,273.48	100.00	5,836.19	100.00

V. C.I.F. Value of Imports :

	Figures for the Current Year Value (Rs.in Lacs)	Figures for the Previous Year Value (Rs.in Lacs)
a) Raw Materials & Others	2,064.26	2,200.50
b) Capital Goods	905.80	451.98
c) Spare parts & Components	43.39	107.71

VI. Expenditure in Foreign Currency :

a) Travelling Expenses	12.73	11.33
b) Interest	38.51	41.50
c) Exchange fluctuation of Working Capital Demand Loan	4.68	9.33
d) Commission	5.34	5.46
e) Others	103.27	82.15

VII. Earnings in Foreign Currency :

a) Export of Goods on F.O.B. Basis (Including Deemed Export in Indian Currency Rs. Nil lacs, Previous year 36.16 lacs.)	1,726.74	1,469.48
b) Other Income (Freight & Insurance)	99.26	81.68

17. INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

I. Registration Details :

Registration No. 21 - 09490
Balance Sheet Date 31 03 2010
Date Month Year

State Code : 21

II. Capital Raised during the year (Amount in Rs. thousands):

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

SCHEDULE - Q (Contd.)

III. Position of Mobilisation and Deployment of Funds(Amount in Rs. thousand):

	Total Liabilities 1,849,868	Total Assets 1,849,868
Sources of Funds:		
	Paid up Capital 57,072	Reserves & Surplus 573,415
	Secured Loans 377,529	Unsecured Loans 176,950
	Deferred Tax 71,817	
Application of Funds:		
	Net Fixed Assets 772,182	Investments 102
	Net Current Assets 460,738	Deferred Tax 23,761
	Accumulated Losses NIL	Misc. Expenditure NIL

IV. Performance of Company (Amount in Rs. thousands)

Turnover 2,029,579	Total Expenditure 1,887,921
Other Income 15,502	Profit/(Loss) After Tax 102,740
Profit before Tax 157,160	Dividend Rate % 45
Earning per Share in Rs. (After exceptional and non- recurring items) 18.00	

V. Generic Names of Three Principal Products of Company :

Item code No (ITC Code)	300,490.17
Product Description	FORMULATION
Item code No (ITC Code)	300,490.81
Product Description	I.V.FLUIDS
Item code No (ITC Code)	300,390.01
Product Description	AYURVEDIC

Schedules 'A' to 'Q' signed by the followings:

As per our Report attached

On behalf of the Board

For G. Basu & Company
Chartered Accountants

S C SHAH
V.P. (Finance) & C.F.O.

A K KOTHARI
Chairman & Managing Director

S. LAHIRI
Partner
(Membership No.: 51717)

INDRAJIT DHAR
Company Secretary

K P MUNDHRA
Executive Director