



**ALBERT  
DAVID**

## ALBERT DAVID LIMITED **ANNUAL REPORT** 2018-2019



**Adds life to life**



## VISION

To become a globally respected pharmaceutical entity and create value for our stakeholders and employees



## MISSION

To deliver excellence in each of our efforts through innovation using cutting edge technology and methodology

<b>DIRECTORS</b>	:	Mr. A. K. Kothari Executive Chairman Mr. T. S. Parmar Managing Director & CEO Smt. Prabhawati Devi Kothari Mr. Hemal Kampani Mr. Rajiv Singhi Mr. Arindam Sarkar Mr. Shirish G. Belapure (From 14th February, 2019) Dr. A. K. Bhattacharya (Upto 31st March, 2019)
<b>MANAGEMENT TEAM</b>	:	Dr. D. P. Ghosh Corporate Head - Technical & Scientific Development Mr. S. C. Shah Corporate Head (Finance) & CFO Mr. Atul Kichlu Head (Sales & Marketing) - ADL Div.-I Mr. A. J. Chattopadhyay Corporate Head – HR Mr. P. K. Jain Plant Head, Kolkata Mr. H. T. Nazare Plant Head, Ghaziabad Md. Altaf Qazi Head (Sales & Marketing) - ADL Div.-II
<b>COMPANY SECRETARY</b>	:	Dr. Indrajit Dhar
<b>AUDITORS</b>	:	Basu Chanchani & Deb, Chartered Accountants
<b>BANKER</b>	:	State Bank of India
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	:	Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor, Kolkata-700001. Tel : 033-2248-2248 / 2243-5029, Fax : 033-2248-4787 Email : mdpldc@yahoo.com
<b>REGISTERED OFFICE</b>	:	ALBERT DAVID LIMITED (CIN : L51109WB1938PLC009490) D-Block, 3rd Floor, Gillander House, Netaji Subhas Road, Kolkata - 700001 Tel : 033-2262-8436 / 8456 / 8492, 2230-2330 Fax : 033-2262-8439 Email : adidavid@dataone.in, Website : www.albertdavidindia.com
<b>WORKS</b>	:	5 / 11, D. Gupta Lane Kolkata - 700050 (W.B.) B-12 / 13, Meerut Road, Industrial Area Ghaziabad - 201003 (U.P.)

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## Chairman's Message

Albert David Limited is a trusted, flagship Pharmaceutical Company of the 'Kothari Group' with over 80 years of successful operations. 'Kothari Group' is a prominent, highly diversified business group headquartered in Kolkata with operations across India and overseas.

### The Year Gone By

Indian pharma companies have been going through a tough phase for the past couple of years. Some of the reasons being significant competitive intensity, pricing pressure in export markets, lower prices and regulatory hurdles in domestic markets etc. Further, despite being a late bloomer, China has proved itself as a growth engine for the biopharma industry posting double digit growth.

Most global pharma companies have initiated restructuring programs to reposition their companies, focusing their efforts on refocusing R&D, optimising manufacturing plants, reducing employee costs, and divesting poorly-performing or sub-scale businesses.

### Structural Changes

In order to strengthen the brand marketing, your Company has undertaken many proactive steps which include restructuring the marketing team at the highest levels and launch of a separate division for focused brands. On the way forward, your Company plans to take more initiatives including strengthening its branded and generics business.

### Dividend

Backed by the strategic changes being taken by your Company and the positive performance outlook, Albert David Limited Board has proposed a dividend of Rs.6/- per equity share of Rs.10/- each.

### Future Outlook

The Indian pharma industry has adjusted to the disruptions of demonetization and GST in the last two years and has reverted to a steady low double-digit growth. The industry is expected to grow at 11-12% in near future, driven by a mix of strong volume growth and price increase, increasing lifestyle diseases, higher penetration in rural markets and rising health insurance coverage. Given that, pharma companies need to tread their path with caution in view of several risks the sector faces vis-a-vis. unfavorable results of facility inspections and delay in product approval by USFDA, chances of more products being added to NLEM list and FDC ban.

I, on behalf of Albert David Limited Board, express my appreciation and gratitude to all our shareholders and we look forward to your continued trust and support.

**A K Kothari**

Executive Chairman



## Managing Director & CEO's Message

*Dear Shareholders,*

It gives me great pleasure to address you after more than two years of association with Albert David Limited.

### **The Market Scenario**

The Healthcare industry in India is rapidly evolving from a product centric industry to a product-cum-service driven sector largely driven by chronic diseases segments viz. cardiovascular, diabetes and lifestyle diseases. The Indian pharma industry has been ranked 3rd in terms of volume and 14th in terms of value, globally. The domestic formulations segment is expected to grow at 11-12%. The Government of India too has announced policy initiatives viz. increase in Budget allocation for the healthcare sector, National Health Policy 2017 and Pharma Vision 2020 which will hopefully further improve the focus and priority on healthcare in India.

Simultaneously, the Indian Pharma Industry is also facing fresh challenges. Ayushman Bharat and Jan Aushadhi Schemes have been launched with a lot of publicity by the GOI. DPCO/NPPA/FDC fresh notifications continue to be announced. All these will pose specific challenges to the Indian Pharma Industry.

### **Our Current Status**

We, as a company, continued to take initiatives to address the changing business environment. We are taking all necessary steps not only to face the market challenges but also to perform impressively under the current scenario. After satisfactorily crossing the transitional hurdles of GST and demonetization in the last two years, during the FY 2018-19 we have achieved net sales and net profit (from continuing operations) of Rs.312.70 Cr. and Rs.17.72 Cr. against Rs.287.11 Cr. and Rs.13.48 Cr. respectively during the previous year.

We took many strategic initiatives in 2018-19, derived from our in-depth pan Corporate / pan Function review, and aligned to our future strategic and growth plans. We, at Albert David, took several decisive steps to make our operations lean & integrated, further tuned our production & marketing efforts and continued our transformative efforts to address the next phase of opportunities, control our costs and increase our margins.

A few of the key initiatives taken are as follows:

- i. Strengthening our new ERP system and SOPs across functions to support sustained and robust growth
- ii. Creation of a separate division for our focused brands and restructured the marketing division
- iii. Organizational restructuring pan-India and streamlining overheads

### **The Way Forward**

India, the third largest drug manufacturer in the world by volume and largest provider of generic drugs accounting for 20% global exports, enjoys the exalted position of being the 'Pharmacy to the world'. Generic drug export has been growing at around 24% per year for the last couple of years. On the domestic front, the IPM (Indian Pharma Market) is expected to reach USD 55 bn by 2020, with the potential to reach USD 70 bn in an aggressive growth scenario. Besides, with patents worth around USD 10,500 (India estimate) expiring in the period between 2018-2022 and the GOI's exemplary stand against blind patent protection, there is ample opportunity for the industry to grow. But there are also head-winds for the Indian Pharma Industry viz. Ayushman Bharat & Jan Aushadhi Schemes of GOI, DPCO & NPPA fresh notifications, any new FDC list etc.

We are keeping an eye on the industry developments & prospects and are preparing ourselves for the same.

Few of the key areas / initiatives we are continuing to work on are:

- i. Firming up our 'mid-long term' Strategic Plan
- ii. Improving our overall operational efficiency through right identification and optimization of all resources
- iii. Identifying & tapping available market potential through an efficient, re-structured approach
- iv. Further re-alignment of our EMB operations
- v. Professionalising & strengthening our ADL Board

I, on behalf of Albert David Limited, can assure you that we are moving towards a stronger and brighter future. I am thankful to all members of our Albert David Limited family – our customers, partners, fellow employees and above all you, our shareholders, for reposing your continued faith and support.

Warm regards!

**T S Parmar**

Managing Director & CEO

**ALBERT DAVID LIMITED**

(CIN : L51109WB1938PLC009490)

Registered Office: D - Block, 3<sup>rd</sup> Floor, Gillander House, Netaji Subhas Road, Kolkata - 700001

Tel: 033-2262-8436/8456/8492, 2230-2330, Fax: 033-2262-8439

Email : adidavid@dataone.in Website : www.albertdavidindia.com

**Notice****TO THE MEMBERS**

**NOTICE** is hereby given that the EIGHTIETH Annual General Meeting of the Shareholders of the Company will be held at **Science City, Seminar Hall S-18 (A & B), J. B. S. Haldane Avenue, Kolkata-700046 on Friday, the 9<sup>th</sup> August, 2019 at 4.00 PM** to transact the following business:

**AS ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2019 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mrs. Prabhawati Devi Kothari (DIN: 00051860), who retires by rotation and being eligible, offers herself for re-appointment.

**AS SPECIAL BUSINESS**

4. **To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014 and such other rules as may be applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, regulations and guidelines, if any, Mr. Shirish G. Belapure (DIN : 02219458), who was appointed as an Additional Director (Non-Executive, Independent) of the Company by the Board of Directors with effect from 14<sup>th</sup> February, 2019 under Section 161 and the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee of the Board of Directors of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years from 14<sup>th</sup> February, 2019.

**RESOLVED FURTHER THAT** members of the Board of Directors be and they are hereby severally authorized to do all such acts, deeds and things to give effect to the resolution and matters incidental and ancillary thereto.”

5. **To consider and if thought fit, to pass the following resolutions as Special Resolutions:**

**“RESOLVED THAT** pursuant to the provisions of section 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, regulations and guidelines, if any, and subject to any other approvals, if applicable, and upon the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, the consent of members of the Company be and is hereby accorded for revision in remuneration payable to Mr. Arun Kumar Kothari (DIN: 00051900), Wholetime Director designated as Executive Chairman of the Company for the period from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 in the manner and to the extent set out in the Explanatory Statement annexed to this notice.



**RESOLVED FURTHER THAT** notwithstanding the above, in the event of loss or inadequacy of profits in the financial year, Mr. Arun Kumar Kothari, Executive Chairman, will be paid salary and perquisites not exceeding the limits prescribed in Section-II of Part-II of Schedule-V of the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion deem proper, necessary or desirable to give effect to the foregoing resolutions and to settle any question, difficulty or doubt that may arise in the said regard."

6. **To consider and if thought fit, to pass the following resolutions as Special Resolutions:**

**"RESOLVED THAT** pursuant to the provisions of section 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, and subject to any other approvals, if applicable, and upon the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, the consent of members of the Company be and is hereby accorded for revision in remuneration payable to Mr. Tarminder Singh Parmar (DIN: 05118311), Managing Director & CEO of the Company for the period from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 in the manner and to the extent set out in the Explanatory Statement annexed to this notice.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion consider proper, necessary or desirable in order to give effect to the foregoing resolution and to settle any question, difficulty or doubt that may arise in the said regard."

7. **To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:**

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. S. Gupta & Co., Cost & Management Accountants, Kolkata (Firm Registration No. 000020), Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Registered Office :  
D - Block, 3<sup>rd</sup> Floor,  
Gillander House,  
Netaji Subhas Road,  
Kolkata - 700 001.  
CIN : L51109WB1938PLC009490  
Dated : 29<sup>th</sup> May, 2019

By Order of the Board  
For **Albert David Limited**

**Indrajit Dhar**  
Associate Vice President (Accounts & Taxation)  
Cum-Company Secretary  
(ACS-9054)

**NOTES :**

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in relation to the Special Business is annexed hereto and forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. MEMBERS/ PROXIES/ AUTHORISED REPRESENTATIVES SHOULD BRING THE DULY FILLED ATTENDANCE SLIP TO ATTEND THE MEETING. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.

A MEMBER HOLDING MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. Proxies shall be made available for inspection during twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.
4. Pursuant to the provision of section 91 of the Companies Act, 2013, the Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 3<sup>rd</sup> August, 2019 to Friday, 9<sup>th</sup> August, 2019, both days inclusive, for the purpose of AGM and payment of dividend.
5. Dividend, if declared, would be paid within thirty days from the date of declaration to Members whose names appear as beneficial owners with the Depositories or in the Register of Members as on Friday, 2<sup>nd</sup> August, 2019.

Members holding shares in demat form may note that bank account particulars registered against their respective demat accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Maheshwari Datamatics Pvt. Ltd., cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants of the members. Further, in case the shares are held in physical mode, members are requested to furnish Bank account particulars (viz. Account No., Name and Branch of the Bank, IFSC Code and MICR Code) to the RTA to ensure that there is no fraudulent encashment of the warrants.

6. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members holding shares in physical form are requested to notify immediately, changes, if any, in their registered address, bank details, mandate, nomination, power of attorney and email address to Company's Registrar & Share Transfer Agent at the below-mentioned address quoting their Folio Numbers:-

M/s. Maheshwari Datamatics Pvt. Ltd.  
23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001  
Tel.No.: (033) 2248-2248/ 2243-5029; Fax No.: (033) 2248-4787  
E-Mail: mdpldc@yahoo.com

In case shares are held in demat form, these information should be passed on directly to the concerned Depository Participant (DP).

9. Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends upto the year ended 31<sup>st</sup> March, 2011 and the underlying shares to the account of the Investor Education and Protection Fund established by the Central Government.

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended), the Company has uploaded the details of unpaid and unclaimed amounts as on 3<sup>rd</sup> September, 2018 (date of the last Annual General Meeting) on the website of the Company ([www.albertdavidindia.com](http://www.albertdavidindia.com)) under Investor Relations and also with the Ministry of Corporate Affairs.

Unclaimed dividend for the year ended 31<sup>st</sup> March, 2012 shall be transferred to the Investor Education and Protection Fund during the year. Members who have not yet encashed/claimed their dividend for the financial years ending 31<sup>st</sup> March 2012, 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2018 are requested to claim the same from the Company.

In terms of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares in respect of which dividend have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government. As required under the said Rules, the Company has published a Notice in the newspapers inviting the Members' attention to the said Rules. The Company has also sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPF Account, pursuant to the said Rules to take immediate action.

10. In view of the amendment made to Section 139 of the Companies Act, 2013 vide the Companies (Amendment) Act, 2017 effective 7<sup>th</sup> May, 2018, annual ratification of appointment of statutory auditors have been done away with. Hence, no resolution has been proposed for the same.
11. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN/Bank Account particulars to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN / Bank Account details to the Company or RTA for registration of transmission/transposition, deletion of name etc.
12. **Voting through electronic means:**

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 80th Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting through ballot papers shall also be made available at the venue of the 80th AGM and the members attending the meeting who have not cast their votes by remote e-voting shall be able to vote at the meeting through ballot paper. Members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Mr. Ashok Kumar Daga, Practicing Company Secretary (FCS-2699, CP No. 2948) as the Scrutinizer for conducting the remote e-voting and the ballot voting process at the AGM in a fair and transparent manner.

The instructions to members for voting electronically are as under :-

- i] The voting period begins on Monday, 5<sup>th</sup> August, 2019 at 10:00 am and ends on Thursday, 8<sup>th</sup> August, 2019 at 5:00 pm. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date i.e. Friday, 2<sup>nd</sup> August, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 pm on Thursday, 8<sup>th</sup> August, 2019.
- ii] Members holding shares in physical or in demat form as on the cut-off date, i.e. Friday, 2<sup>nd</sup> August, 2019 shall only be eligible for e-voting.
- iii] The shareholders should log on to the CDSL e-voting website-[www.evotingindia.com](http://www.evotingindia.com).
- iv] Click on "Shareholders" tab.

v] Now Enter your User ID:

- a. For CDSL: 16 digits Beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter their Folio Number registered with the Company.

vi] Next enter the Image Verification code as displayed and Click on Login.

vii] If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com). and voted on an earlier voting of any Company, then your existing password is to be used.

viii] If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (Applicable for shareholders holding shares both in demat and in physical form)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name (in CAPITAL letters) and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters; eg. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or Folio No. in dd/mm/yyyy format OR
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio No.

If both the details are not recorded with the depository or Company please enter the member ID/folio number in the Dividend Bank details field as mentioned above.

- ix] After entering these details appropriately, click on "SUBMIT" tab.
- x] Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that the Company opts for e-voting through CDSL platform. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- xi] For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii] Click on the EVSN relevant for Albert David Limited.
- xiii] On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv] Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv] After casting your vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi] Once you "CONFIRM" your vote on the resolutions, you will not be allowed to modify your vote or cast your vote again.

- xvii] You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xviii] If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix] **Note for Non-Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- xx] Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e., Friday, 2<sup>nd</sup> August, 2019. Any person who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and is holding shares as on the cut off date, may obtain the login ID and password by sending a request to the RTA at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
- xxi] A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Friday, 2<sup>nd</sup> August, 2019 only, shall be entitled to avail the facility of remote e-voting/ballot paper.
- xxii] In case you have any queries or issues regarding e-voting, you may refer to the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under the help section or contact Mr. Arghya Majumdar, Assistant Manager, CDSL, 22, Camac Street, Block A, 1<sup>st</sup> Floor, Kolkata-700016, Tel: (033) 2282-1361/1800225533, Email: [arghyam@cdslindia.com](mailto:arghyam@cdslindia.com)/ [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Members may also write to the Company Secretary at [id@adlindia.in](mailto:id@adlindia.in).
13. The Notice of the 80th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form is being sent by electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s), unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
14. Members may also note that the Notice of the 80th AGM and the Annual Report 2018-2019 will be available on the Company’s website [www.albertdavidindia.com](http://www.albertdavidindia.com) under Investor Relations. Physical copies of the documents will also be available at the Company’s registered office for inspection on all working days except Saturdays between 10.00 am and 1.00 pm upto 5<sup>th</sup> August, 2019. Members who require communication in physical form in addition to electronic communication, or have any other query, may write to the Company Secretary at [id@adlindia.in](mailto:id@adlindia.in).
15. Disclosure pursuant to Section 196(4) of the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 (Listing Regulations), and Secretarial Standards—2, with respect to Directors seeking appointment / reappointment in the forthcoming Annual General Meeting is annexed. The Directors have furnished consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013, the Rules thereunder and the Listing Regulations.



16. The facility for making/varying/cancelling nomination is available to individuals holding shares in the Company. Nominations can be made in Form SH-13 and any variation/cancellation thereof can be made by giving notice in Form SH-14, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the Company/RTA or from the Website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).
17. The Ministry of Corporate Affairs, Government of India has introduced 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies for service of documents to their members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013.  
  
In view of the above, the Company has communicated through its Annual Report and also through separate letters to members requesting them to register their email address with the Company/RTA. However, members who are desirous of obtaining physical copy of the Notices, Postal Ballots, Annual Reports and other documents may forward their written request to the Company/RTA for the same.
18. 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.
19. The shares of the Company are under compulsory demat list of the SEBI w.e.f. 1<sup>st</sup> October, 2000. The trading in equity shares can be only in demat form. In case you do not hold shares in demat form, you may do so by opening an account with a depository participant (DP) and complete dematerialization formalities.  
  
**Members holding physical share certificates are requested to convert their shareholding to dematerialized form.**
20. Relevant documents referred to in the Notice and the Explanatory Statement shall be open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 10.00 am and 1.00 pm upto 5<sup>th</sup> August, 2019, and shall be available for inspection at the meeting.
21. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.
22. Route map to the venue of Annual General Meeting forms part of the Notice.

Registered Office :  
D - Block, 3<sup>rd</sup> Floor,  
Gillander House,  
Netaji Subhas Road,  
Kolkata - 700 001.  
CIN : L51109WB1938PLC009490  
Dated : 29<sup>th</sup> May, 2019

By Order of the Board  
For **Albert David Limited**

**Indrajit Dhar**  
Associate Vice President (Accounts & Taxation)  
Cum-Company Secretary  
(ACS-9054)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****ITEM NO. 4**

The Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, at their meeting held on 14<sup>th</sup> February, 2019 had appointed Mr. Shirish G. Belapure (DIN-02219458) as an Additional Director (Non-Executive, Independent) on the Board of the Company pursuant to the provisions of the Section 161 of the Companies Act, 2013 ("the Act"), the Rules made thereunder and the Articles of Association of the Company. The Company has received consent in writing from Mr. Belapure to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, disclosure of qualification in Form DIR-8 pursuant to Rule 14(1) of the Companies (Appointment & Qualification of Directors) Rules, 2014 and declaration of meeting criteria of independence under sub-section (6) of Section 149 of the Act and the Listing Regulations. In terms of the provisions of Section 149 and 152 read with Schedule IV of the Companies Act, 2013, approval of the shareholders by resolution is required for appointment of an Independent Director.

In the opinion of the Board of Directors, Mr. Belapure fulfills the conditions specified in the Companies Act, 2013, the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company and is independent of the management of the Company. Accordingly, in compliance of Section 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and on recommendation of the Nomination and Remuneration committee, Mr. Shirish G. Belapure is proposed to be appointed as an Independent Director of the Company to hold office for a term of 5 years with effect from 14<sup>th</sup> February, 2019.

The Company has received a notice in writing from a shareholder of the Company under Section 160 of the Act proposing the candidature of Mr. Belapure for the office of Independent Director of the Company.

**Details required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards are provided below:**

**Brief resume and expertise of Mr. Shirish G. Belapure:**

Mr. Shirish G. Belapure aged about 66 years is M. Pharm and Post Graduate from IIM, having a vast experience of about 42 years in the Pharma industry in the field of Pharmaceutical Manufacturing Technology, Quality Control and Regulatory areas. Mr. Belapure has vast exposure, both in domestic as well as international operations of reputed pharma companies. Mr. Belapure is recipient of Best Pharmacist Award by Govt. College of Pharmacy, Karad.

**Disclosure of relationship between Directors inter-se, Manager and Key Managerial Personnel:** Mr. Shirish G. Belapure is not related to any Director, Manager or KMP of the Company.

**Date of first appointment on the Board:** 14<sup>th</sup> February, 2019

**Names of Listed entities (other than Albert David Ltd.) in which Mr. Shirish G. Belapure holds Directorship/ Chairmanship and the Chairmanship/Membership of Board Committees:** Nil

**Details of shareholding of Mr. Shirish G. Belapure in Albert David Ltd.:** Nil

**No. of Board Meetings attended during the year:** 1

**Committee details in Albert David Ltd.:**

As a Member: Audit Committee and Corporate Social Responsibility Committee

As a Chairman: None

**Last drawn remuneration/ Details of remuneration sought to be paid:** Mr. Shirish G. Belapure shall be entitled to sitting fee as may be decided by the Board from time to time for attending meetings of the Board of Directors and Committee(s) thereof.

It is proposed to appoint Mr. Shirish G. Belapure as an Independent Director for a term of 5 (five) consecutive years effective from 14<sup>th</sup> February, 2019, not liable to retire by rotation. A draft copy of the letter of appointment to be issued to Mr. Belapure setting out the terms and conditions would be available for inspection by the shareholders at the Registered Office of the Company on any working days, except Saturdays, between 10.00 am and 1.00 pm upto 5<sup>th</sup> August, 2019 and at the AGM.

Having regard to the qualification, knowledge, experience and expertise, Mr. Belapure's appointment as an Independent Director will be in the interest of the Company and the Board recommends his appointment as an Independent Director of the Company.

Except Mr. Belapure, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution set out in Item No.4 of the Notice.

#### ITEM NO. 5

Mr. Arun Kumar Kothari (DIN:00051900) was re-appointed as Wholetime Director designated as 'Executive Chairman' of the Company for a period of 3 years from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2021 which was approved by the Members of the Company at the 79<sup>th</sup> Annual General Meeting held on 3<sup>rd</sup> September, 2018.

Mr. Kothari's remuneration was fixed for the period from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 and the Board of Directors was authorised to award annual increment to Mr. Kothari for the residual period, i.e. from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2021.

In view of valuable contribution made by Mr. Arun Kumar Kothari towards the growth of the Company, the Board of Directors, at its meeting held on 14<sup>th</sup> February, 2019, as per the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, have considered revising the salary of Mr. Kothari for the period from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020, subject to the approval of members of the Company. The revised remuneration of Mr. Kothari is set out in the Supplemental Agreement dated 1<sup>st</sup> April, 2019 executed by and between the Company and Mr. Kothari. The terms of remuneration are in accordance with Schedule V of the Companies Act, 2013.

An abstract of the remuneration payable to Mr. A. K. Kothari as Executive Chairman of the Company under the Agreement is given below:-

#### REMUNERATION :

**Salary :** Rs.8,45,000/- (Rupees Eight Lakhs Forty Five Thousand only) per month for the period from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 and thereafter such remuneration as may be recommended by the Nomination and Remuneration Committee and approved by the Audit Committee/Board of Directors/Members of the Company.

All other terms and conditions including remuneration stipulated in the previous agreement dated 13<sup>th</sup> April, 2018 shall remain unchanged.

In case of no profits or inadequate profits in the financial year, the remuneration and perquisites payable to Mr. A. K. Kothari shall be paid subject to overall limits as prescribed under Schedule V of the Companies Act, 2013 or such other limit as may be prescribed by the Central Government from time to time as minimum remuneration. This approval must also be taken as an approval under Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

The Executive Chairman, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors and Committees thereof.

Copies of the Agreements as above will be available for inspection by the Members at the Registered Office of the Company on any working day, except Saturdays, between 10.00 am and 1.00 pm upto 5<sup>th</sup> August, 2019 and will also be available at the meeting.

Pursuant to provisions of Section 102(1) of the Companies Act 2013, the extent of shareholding of Mr. A. K. Kothari and his relatives is provided below:

Name of Director/KMP/Relatives	Extent of shareholding in the Company (%)
Mr. Arun Kumar Kothari	1,02,000(1.79%)
Mrs. Prabhawati Devi Kothari	12,500 (0.22%)
Mr. Anand Vardhan Kothari	5,53,500 (9.70%)

Apart from Mr. A. K. Kothari, Mrs. Prabhawati Devi Kothari and Mr. A. V. Kothari, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the aforesaid resolutions except to the extent of their shareholding.

Considering the valuable contribution of Mr. A. K. Kothari in the growth of the Company, the Board recommends passing of the special resolutions as set out in Item No.5 of the Notice.

#### ITEM NO. 6

Mr. Tarminder Singh Parmar (DIN : 05118311) was appointed as the Managing Director & CEO of the Company for a period of 5 years from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023 which was approved by the Members of the Company in the 79<sup>th</sup> Annual General Meeting held on 3<sup>rd</sup> September, 2018.

Mr. Parmar's remuneration was fixed for the period from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 and the Board of Directors was authorised to award annual increment to Mr. Parmar for the residual period, i.e. from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2023.

In view of valuable contribution made by Mr. Tarminder Singh Parmar towards the growth of the Company, the Board of Directors at its meeting held on 14<sup>th</sup> February, 2019, as per the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, have considered revising the remuneration of Mr. Parmar from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020, subject to the approval of members of the company. The revised remuneration of Mr. T. S. Parmar is set out in the Supplemental Agreement dated 1<sup>st</sup> April, 2019 executed by and between the Company and Mr. Parmar.

Mr. T. S. Parmar is a person acting in professional capacity fulfilling the conditions/criteria of Para B of Section II of Part II of Schedule V of the Companies Act, 2013. Accordingly, his remuneration is not subject to the ceilings of remuneration under Schedule V of the Companies Act, 2013.

An abstract of the remuneration payable to Mr. T. S. Parmar as Managing Director & CEO of the Company under the Agreement is given below :-

#### REMUNERATION :

- i) **Salary** : Rs.7,88,500/- (Rupees Seven Lakhs Eighty Eight Thousand Five Hundred only) per month for the period from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 and thereafter such remuneration as may be recommended by the Nomination and Remuneration Committee and approved by the Audit Committee/Board of Directors/Members of the Company.
- ii) **Allowances / Benefits** :
  - a) Special Allowance: Rs.2,60,500/- (Rupees Two Lakhs Sixty Thousand Five Hundred only) per month.
  - b) Variable Incentive: Rs.37,85,000/- (Rupees Thirty Seven Lakhs Eighty Five Thousand only) per annum.
  - c) Retention Payout: Rs.30,00,000/- (Rupees Thirty Lakhs only) per annum.

All other terms and conditions stipulated in the previous agreement dated 13<sup>th</sup> April, 2018 shall remain unchanged.

The Managing Director & CEO, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors and Committees thereof.

Copies of the Agreements as above will be available for inspection by the Members at the Registered Office of the Company on any working day, except Saturdays, between 10.00 am and 1.00 pm upto 5<sup>th</sup> August, 2019 and will also be available at the meeting.

Pursuant to provisions of Section 102(1) of the Companies Act 2013, it is stated that Mr. T. S. Parmar and his relatives do not hold any shares in the Company.

Apart from Mr. T. S. Parmar, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the aforesaid resolutions.

Considering the valuable contribution of Mr. T. S. Parmar in the growth of the Company, the Board recommends passing of the special resolutions as set out in Item No. 6 of the Notice.

**ITEM NO. 7**

The Board of Directors on the recommendation of the Audit Committee has approved the appointment of the Cost Auditors M/s. S. Gupta & Co., (Firm Registration No.000020) to conduct audit of the cost records of the Company for the financial year ending March 31, 2020 at a remuneration of Rs. 40,000/- plus applicable taxes and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item No.7 of the Notice.

The Board recommends the Ordinary Resolutions set out at Item No.7 of the Notice for approval by the members.

**GENERAL INFORMATION :**

- 1) Nature of Industry: Pharmaceuticals
- 2) Date of Commencement of commercial operation: 16-11-1938
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.
- 4) Financial Performance [Rs. In Lakhs]

Financial Parameters	2014-2015	2015-2016	2016-2017*	2017-2018*	2018-2019*
Turnover	31968.20	32046.40	30479.75	28710.87	31270.41
Net Profit as per Profit & Loss Account (after extra-ordinary items)	1370.03	4799.59	1595.51	984.08	2663.99
Amount of Dividend paid (including Corporate Dividend Tax)	377.79	377.81	377.81	378.44	—
Rate of Dividend declared	55%	55%	55%	55%	—

\* Figures for 2016-2017, 2017-2018 and 2018-2019 are regrouped as per revised Schedule III under Indian Accounting Standards (IND-AS) of the Companies Act, 2013.

Export performance and net foreign exchange earned: F.O.B. value of Export excluding Freight & Insurance during the year 2018-2019 is 2,400.17 Lakhs.

- 5) Foreign investments or collaborations, if any: None

Registered Office :  
D - Block, 3<sup>rd</sup> Floor,  
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Netaji Subhas Road,  
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CIN : L51109WB1938PLC009490  
Dated : 29<sup>th</sup> May, 2019

By Order of the Board  
For **Albert David Limited**

**Indrajit Dhar**  
Associate Vice President (Accounts & Taxation)  
Cum-Company Secretary  
(ACS-9054)



	<u>Executive Chairman</u>	<u>Managing Director &amp; CEO</u>
1. Background details	: Mr. Arun Kumar Kothari is associated with the Company since 1988 and possesses vast experience in managing the business of the Company.	Mr. Tarminder Singh Parmar joined the Company as CEO effective 24 <sup>th</sup> January, 2017 and was appointed as the Managing Director & CEO of the Company effective 1 <sup>st</sup> April, 2018. He possesses experience of over 30 years in Pharma industry.
2. Past remuneration	: Rs.1,13,14,619/-for the year 2018-2019 Rs.1,01,20,246/- for the year 2017-2018 Rs.94,31,400/- for the year 2016-2017	Rs. 1,91,45,175/- for the year 2018-2019 Rs.1,67,04,639/- for the year 2017-2018 Rs. 27,04,204/- for the year 2016-2017
3. Recognition or awards	: —	—
4. Job profile and suitability	: Mr. A. K. Kothari heads Kothari Group of Companies which includes Albert David Ltd., a trusted and flagship pharmaceutical company. Mr. A. K. Kothari, son of Late G. D. Kothari, aged about 66 years has been involved in the business for three decades. He is a well known industrialist having considerable experience in businesses of Tea, Pharmaceuticals, Chemicals, Engineering & Textile industry. Mr. Kothari looks after the overall management of the Company.	Mr. T. S. Parmar aged about 54 years joined the Company in January, 2017. Mr. Parmar possesses vast experience of over 30 years in pharmaceutical industry with leading Indian and MNC companies. Prior to his appointment as Managing Director & CEO effective 1 <sup>st</sup> April, 2018, he was functioning as CEO of the Company.
5. Remuneration proposed	: As set out in the Explanatory Statement. The remuneration has the approval of the Nomination and Remuneration Committee and Audit Committee of the Company.	
6. Comparative remuneration profile with respect to industry size of the Company, profile of the position and person	: Taking into consideration, the size of the Company and the responsibilities shouldered by Mr. A. K. Kothari and Mr. T. S. Parmar, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial persons in other companies.	
7. Pecuniary relationship directly or indirectly with the company or relationship with managerial person, if any	: Besides the remuneration and dividend on shares held in the Company, Mr. A. K. Kothari does not have any other pecuniary relationship with the Company. Mr. A. K. Kothari is husband of Mrs. P. D. Kothari, Director of the Company.	Besides the remuneration Mr. T. S. Parmar does not have any other pecuniary relationship with the Company. Mr. T. S. Parmar is not related to any Director or managerial person of the Company.

**OTHER INFORMATION:**

1. Reason of loss or inadequate profit: The Company is passing Special Resolution pursuant to the proviso to Sub-section (1) of Section 197 of the Companies Act, 2013 as a matter of abundant precaution, as the profitability of the Company may be impacted in future due to business environment during the period for which remuneration is payable.
2. Steps taken or proposed to be taken for improvement: The Company has embarked on a series of strategic and operational measures that is expected to result in improvement in the performance of the Company.
3. Expected increase in productivity and profits in measurable terms: The Company has taken various initiatives to maintain and improve its market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

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D - Block, 3<sup>rd</sup> Floor,  
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Dated : 29<sup>th</sup> May, 2019

By Order of the Board  
For **Albert David Limited**

**Indrajit Dhar**  
Associate Vice President (Accounts & Taxation)  
Cum-Company Secretary  
(ACS-9054)

**Disclosure under Section 196 (4) of the Companies Act, 2013, Regulation 36(3) of Listing Regulations and Secretarial Standard-2**

Name of Director and DIN	Date of Birth & Age	Date of first appointment on the Board	Expertise in specific functional areas	Qualification	Meetings of the Board attended during the year	Terms and Conditions of appointment / reappointment	Details of remuneration sought to be paid	Last drawn remuneration	List of other Directorships held as on 31st March 2019*	Chairman / Member of the Committee of the Board of other Companies on which/ she is a Director as on 31st March 2019	Shareholding in the Company
Mrs. Prabhawati Devi Kothari # (DIN: 00051860)	10-09-1957 (Age-61 years)	31-03-2014	Conversant with accounts, finance and administrative matters.	B.Com	4	Reappointment on retirement by rotation,	Only sitting fees for attending Board and Committee Meetings	Rs.1,80,000/- sitting fees for attending Board and Committee Meetings.	Gillanders Arbuthnot & Co. Ltd. Bharat Fritz Werner Ltd.	Gillanders Arbuthnot & Co. Ltd. (Member-Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee)	12,500 (0.22%) equity shares
Mr. Shirish G. Belapure (DIN: 02219458)	19-07-1953 (Age - 65 years)	14-02-2019	Vast experience of about 42 years in the Pharma Industry in the field of Pharmaceutical Manufacturing Technology, Quality Control and Regulatory areas.	M. Pharm. Post Graduate from IIM	1	Appointment as Non-Executive Independent Director of the Company for 5 years with effect from 14th February, 2019	Only sitting fees for attending Board and Committee meetings.	Rs. 40,000/- sitting fees for attending Directors meetings.	Nil	Nil	Nil
Mr. A. K. Kothari (DIN: 00051900)	10-07-1953 (Age - 65 years)	20-06-1988	Rich experience in the field of pharmaceuticals, chemicals, tea, textiles, machine tools etc.	B. Com	4	Revision in remuneration of Executive Chairman for the financial year 2019-20 as stated in the explanatory statement.	Remuneration of Rs.1,40,43,800/- for the FY. 2019-20 (includes salary, allowances, Company's contribution to Provident Fund and taxable perquisites).	Remuneration of Rs.1,13,14,619/- for the FY. 2018-19 (includes salary, allowances, Company's contribution to Provident Fund and taxable perquisites).	Gillanders Arbuthnot & Co. Ltd. Bharat Fritz Werner Ltd. Arvind Engineering Works Ltd. Pilani Investments and Industries Corporation Ltd.	Gillanders Arbuthnot & Co. Ltd. (Member-Audit Committee, Stakeholder Relationship Committee) Pilani Investment and Industries Corporation Ltd. (Member - Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee)	1,02,000 (1.79%) equity shares
Mr. T.S. Parmar (DIN: 05118311)	12-05-1965 (Age - 54 years)	01-04-2018	Vast experience in pharmaceutical industry	B.Sc, MBA	4	Revision in remuneration of Managing Director & CEO for the financial year 2019-20 as stated in the explanatory statement.	Remuneration of Rs.2,28,22,315/- for the FY. 2019-20 (includes salary, allowances, Company's contribution to Provident Fund and taxable perquisites).	Remuneration of Rs.1,91,45,175/- for the FY. 2018-19 (includes salary, allowances, Company's contribution to Provident Fund and taxable perquisites).	Nil	Nil	Nil

**Note :**

\* Excluding Private Limited Companies and Companies registered under Section 8 of the Companies Act, 2013.

# Mrs. Prabhawati Devi Kothari is wife of Mr. A. K. Kothari, Executive Chairman.

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CIN : L51109WB1938PLC009490  
Dated : 29<sup>th</sup> May, 2019

By Order of the Board  
For **Albert David Limited**

**Indrajit Dhar**  
Associate Vice President (Accounts & Taxation)  
Cum-Company Secretary  
(ACS-9054)

## ALBERT DAVID LIMITED

(CIN : L51109WB1938PLC009490)

Registered Office : D - Block, 3rd Floor, Gillander House, Netaji Subhas Road, Kolkata - 700001

Tel : 033-2262-8436/8456/8492,2230-2330, Fax : 033-2262-8439

Email : adidavid@dataone.in, Website : www.albertdavidindia.com

## Directors' Report

### TO THE SHAREHOLDERS

Ladies & Gentlemen,

Your Directors have pleasure in presenting their 80<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the financial year ended 31<sup>st</sup> March, 2019.

### FINANCIAL HIGHLIGHTS/PERFORMANCE OF THE COMPANY :

		(Rs. in Lakhs)
	2018-2019	2017-2018
<b>Revenue from operations</b>	<b>31689.10</b>	<b>28899.33</b>
Other Income	678.54	890.83
<b>Total income from continuing operations</b>	<b>32367.64</b>	<b>29790.16</b>
<b>Earnings before Interest, Depreciation, Tax &amp; Amortization</b>	<b>3644.66</b>	<b>3063.37</b>
Finance Costs	61.74	85.88
<b>Gross Profit (EBDTA)</b>	<b>3582.92</b>	<b>2977.49</b>
Depreciation and Amortization	697.80	823.10
<b>Profit before Tax (PBT)</b>	<b>2885.12</b>	<b>2154.39</b>
Tax expense	1112.69	806.17
<b>Net profit for the period from continuing operations</b>	<b>1772.43</b>	<b>1348.22</b>
<b>Profit for the period from discontinued operations</b>	<b>891.56</b>	<b>(364.14)</b>
<b>Profit for the period</b>	<b>2663.99</b>	<b>984.08</b>
<b>Other Comprehensive Income :</b>		
<b>From continuing operations</b>	<b>164.36</b>	<b>(309.04)</b>
<b>From discontinued operations</b>	<b>—</b>	<b>(3.87)</b>
<b>Total Comprehensive Income for the period</b>	<b>2828.35</b>	<b>671.17</b>
Retained Earnings – Opening Balance	4780.58	4487.22
Add : Profit for the year	2663.99	984.08
Less : Dividend paid on Equity Shares during the year	313.91	313.91
Less : Corporate Dividend Tax paid during the year	64.52	63.90
Less : Re-measurement of defined benefit obligation transferred	74.66	312.91
<b>Total Retained Earnings</b>	<b>6991.47</b>	<b>4780.58</b>

## **BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/ STATE OF COMPANY'S AFFAIRS:**

During the year under review, your Company achieved Net Sales of Rs.31270.41 Lakhs and recorded a Gross Profit of Rs.3582.92 Lakhs compared to previous year's Net Sales of Rs.28710.87 Lakhs and Gross Profit of Rs.2977.49 Lakhs.

During the current financial year, your Company plans to further strengthen its operations by re-looking at and strengthening its product portfolio, marketing activities, operating structure as well as cost structure.

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

### **DIVIDEND:**

The Board of Directors of your Company (the "Board") is pleased to recommend payment of dividend of Rs.6.00/- per equity share of Rs.10/- each for the financial year ended 31<sup>st</sup> March, 2019 amounting to Rs.412.82 Lakhs (inclusive of dividend distribution tax of Rs.70.39 Lakhs).

### **CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

During the year under review, there has been no change in the nature of business of the Company.

### **MATERIAL CHANGES AND COMMITMENTS AFTER THE BALANCE SHEET DATE:**

There was no material change and commitment in the business operations of the Company affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There was no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

1. The Company has appointed Internal Auditors to observe the Internal Control systems and effectiveness of its functioning who regularly monitor the workflow of the organization in terms of the approved policies of the Company. In every quarter Internal Auditors present the Internal Audit Report and Management comments on the Internal Audit observations;
2. The Board of Directors of the Company has adopted various policies related to Related Party Transactions, Whistle Blower mechanism and other procedures for ensuring the orderly and efficient conduct of business. The Company's system of internal control has been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;
3. The Company has ERP suite for a reliable, high end, comprehensive, disciplined and integrated business solution.

### **DEPOSITS:**

Your Company has not accepted any fixed deposit under Chapter V of the Companies Act, 2013 during the financial year and as such, no amount on account of principal or interest on deposits from public was outstanding as on 31<sup>st</sup> March, 2019.



### **STATUTORY AUDITORS:**

M/s. Basu Chanchani & Deb, Chartered Accountants (Firm Registration No. 304049E), Kolkata, had been appointed as the Statutory Auditors of the Company by the members in their AGM held on 12<sup>th</sup> September, 2017 till the conclusion of fifth consecutive AGM of the Company to be held in the year 2022.

### **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

The Company does not have any subsidiary/joint venture/associate companies.

### **AUDITORS' REPORT:**

The Auditors' Report to the shareholders on the financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 does not contain any qualification, reservation or adverse remark or disclaimer.

### **SECRETARIAL AUDIT:**

The provisions of Section 204 of the Companies Act, 2013 mandate Secretarial Audit of the Company for the financial year 2018-2019 by a Company Secretary in Practice and accordingly the Board of Directors had appointed M/s. MKB & Associates, Practicing Company Secretaries (FRN: P2010WB042700) as the Secretarial Auditor for the financial year ended 31<sup>st</sup> March, 2019 and their Report in Form MR - 3 is attached as **"Annexure - 1"** to this Report.

There are no qualifications in the Secretarial Audit Report.

### **COST AUDIT:**

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records relating to the business of manufacturing of Bulk Drugs and Formulations business of the Company. Accordingly, the Board had appointed M/s. S. Gupta & Co., Kolkata, Cost & Management Accountants (Firm Registration No. 000020) as Cost Auditors for auditing the cost records of the Company for the financial year ended 31<sup>st</sup> March, 2019.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Rule 14 of the Companies (Audit and Auditor) Rules, 2014, the remuneration payable to M/s. S. Gupta & Co., Cost Auditor, for the year 2019-20 is required to be ratified by the Members of the Company, and accordingly, a resolution for the same is being placed before the Members at the ensuing Annual General Meeting.

### **SHARE CAPITAL:**

There is no change in the Share Capital of the Company during the year.

### **EXTRACT OF THE ANNUAL RETURN:**

Extract of the Annual Return in Form MGT - 9 pursuant to the provisions of Section 92 the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed as **"Annexure - 2"** to this Report. The same is also available on the Company website at [www.albertdavidindia.com](http://www.albertdavidindia.com) under Investor Relations.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as **"Annexure - 3"** to this Report.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:**

The Board of Directors of the Company on the recommendation of CSR Committee has adopted a CSR Policy which inter-alia states the CSR activities to be undertaken by the Company. The Policy may be referred at the Company's official website at [http://albertdavidindia.com/investor/sh\\_information/policy/Corporate%20Social%20Responsibility%20Policy.pdf](http://albertdavidindia.com/investor/sh_information/policy/Corporate%20Social%20Responsibility%20Policy.pdf).

In terms of the Company's policy on CSR, the CSR obligation is to be carried out directly by the Company in its local area of operations. The CSR obligation can be carried out by the Company directly or through a Trust. For the purpose of carrying out CSR activities, the Company was in touch with prospective beneficiaries for selection and implementation of projects, which could not be materialized by 31<sup>st</sup> March, 2019 and hence it was decided to carry forward the unspent amount of Rs.9.82 Lakhs to the next financial year for spending.

Details about the Company's CSR Policy and initiatives undertaken by the Company and CSR expenses incurred during the financial year 2018 - 2019 are classified in the Report on CSR attached as "Annexure - 4" to this Report.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

### **(a) Declaration by Independent Directors**

All the Independent Directors have submitted their declaration of independence pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013 and Code of conduct for Directors and senior management personnel.

### **(b) Familiarization Program undertaken for Independent Directors**

The Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. On appointment, the Independent Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director undergoes a formal induction program on the Company's operations, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The Directors are also explained in detail the various compliances required from them as a Director under the various provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, the Code of Conduct of the Company and other relevant regulations. The details of familiarization program imparted is available on the Company's website under the weblink : [http://albertdavidindia.com/investor/sh\\_information/policy/familiarisation\\_program.pdf](http://albertdavidindia.com/investor/sh_information/policy/familiarisation_program.pdf)

### **(c) Non-Independent Directors**

In accordance with the Articles of Association of the Company, Mrs. Prabhawati Devi Kothari (DIN: 00051860), Director of the Company, is liable to retire by rotation and being eligible, offers herself for reappointment. The Board recommends her reappointment with a view to avail her valuable advice and wise counsel.

Brief profile of the Director(s) seeking appointment/reappointment, and other information as required under Section 196(4) of the Companies Act, 2013, Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 forms part of the Notice of AGM forming part of the Annual Report.

### **(d) Change in Directors**

During the year under review, Mr. Shirish Gundopant Belapure (DIN:02219458) has been appointed as an Additional Director (Non-executive, Independent) of the Company with effect from 14<sup>th</sup> February, 2019.

Further, Dr. Amal Kumar Bhattacharya (DIN: 00103798), Independent Director of the Company, whose term of appointment as an Independent Director of the Company ended on 31<sup>st</sup> March, 2019 did not seek reappointment and ceased to be director of the company. The Board places on record its sincere appreciation for the valuable services rendered by Dr. Amal Kumar Bhattacharya during his association with the Company.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members of the Company, in their meeting held on 14<sup>th</sup> February, 2019, had reappointed Mr. Rajiv Singhi, Mr. Hemal Kampani and Mr. Arindam Sarkar as Independent Directors of the

Company for a further term upto 31<sup>st</sup> March, 2024. The members of the Company by way of special resolutions passed through postal ballot approved the above reappointments on 29<sup>th</sup> March, 2019.

None of the Directors of the Company is disqualified to act as director, as specified in section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

**(e) Key Managerial Personnel**

Mr. Arun Kumar Kothari, Executive Chairman, Mr. Tarminder Singh Parmar, Managing Director & CEO, Mr. Subhash Chandra Shah, Vice President(Finance) & CFO and Dr. Indrajit Dhar, Associate Vice President (Accounts & Taxation)-cum-Company Secretary are the whole-time Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013.

**ANNUAL EVALUATION OF BOARD'S PERFORMANCE:**

Pursuant to the requirement of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, performance of each member of the Board/ Committees of Board is evaluated on an annual basis. The evaluation is done by the Board, the Nomination and Remuneration Committee and the Independent Directors with specific focus on the performance and effective functioning of the Board / Committees and individual Directors, the member under evaluation not being present in evaluation process. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

**a) Criteria for evaluation of Board of Directors as a whole**

- i. Frequency of meetings;
- ii. Length of meetings;
- iii. Administration of meetings;
- iv. Number of committees and their roles;
- v. Flow of information to Board members and between the Board and management;
- vi. The quality and quantity of information; and
- vii. Disclosure of Information to the stakeholders.

**b) Criteria for evaluation of individual Directors**

- i. Commitment to the fulfillment of directors' obligations and fiduciary responsibilities;
- ii. Attendance and contribution at Board/Committee meetings;
- iii. Ability to contribute by introducing best practices to address top management issues;
- iv. Monitoring management performance and development;
- v. Participation in long term & short term strategic planning;
- vi. Ability to contribute to and monitor good governance practices;
- vii. Statutory compliance & corporate governance;
- viii. Time spent by each of the members;
- ix. Core competencies; and
- x. Guiding strategy;

The Directors expressed their satisfaction over the evaluation process and the results thereof.

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

During the financial year ended 31<sup>st</sup> March, 2019, four Board meetings were held - on 29<sup>th</sup> May, 2018, 10<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019. The maximum time gap between any two meetings was less than 120 days as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of the Board meetings held during the financial year have been furnished in the Corporate Governance Report forming part of this Annual Report.

#### **MEETINGS OF INDEPENDENT DIRECTORS:**

During the year under review, a meeting of Independent Directors was held on 14<sup>th</sup> February, 2019 wherein the performance of the Non-Independent Directors, the Chairman and the Board as a whole was reviewed. The Independent Directors at their meeting also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board of Directors of the Company.

#### **COMMITTEES OF THE BOARD:**

The Company has constituted/re-constituted various Board level committees in accordance with the requirements of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of all the above Committees along with their composition and meetings held during the year under review are provided in the Report on Corporate Governance forming part of this Annual Report.

#### **AUDIT COMMITTEE:**

The Audit Committee presently comprises of Mr. Rajiv Singhi, Chairman, Mr. Arun Kumar Kothari, Mr. Hemal Kampani and Mr. Shirish G. Belapure as Members. The terms of reference of the Audit Committee, particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of this Annual Report.

#### **NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee presently comprises of Mr. Rajiv Singhi, Chairman, Mr. Arun Kumar Kothari, Mrs. Prabhawati Devi Kothari, Mr. Hemal Kampani and Mr. Arindam Sarkar as Members. The terms of reference of the Nomination and Remuneration Committee, particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of this Annual Report.

#### **COORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Corporate Social Responsibility (CSR) Committee presently comprises of Mr. Arun Kumar Kothari, Chairman, Mr. Tarminder Singh Parmar, Mr. Arindam Sarkar and Mr. Shirish G. Belapure as Members. The terms of reference of the CSR Committee, particulars of meetings held and attendance there at are mentioned in the Corporate Governance Report forming part of this Annual Report.

#### **STAKEHOLDERS' RELATIONSHIP/GRIEVANCE COMMITTEE:**

The Stakeholders' Relationship/Grievance Committee presently comprises of Mr. Hemal Kampani, Chairman, Mr. Arun Kumar Kothari, Mrs. Prabhawati Devi Kothari and Mr. Tarminder Singh Parmar as Members. The terms of reference of the Stakeholders' Relationship/Grievance Committee, particulars of meetings held and attendance thereat are mentioned in the Corporate Governance Report forming part of this Annual Report.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The Company has a Nomination and Remuneration Policy pursuant to Section 178 of the Companies Act, 2013 envisaging therein, inter-alia, the Company's policy on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The said Policy is attached as "**Annexure - 5**" to this Report and may also be accessed at the Company's website at [http://albertdavidindia.com/investor/sh\\_information/policy/Nomination%20and%20Remuneration%20Policy%20\(w.e.f.%20April%201,%202019\).pdf](http://albertdavidindia.com/investor/sh_information/policy/Nomination%20and%20Remuneration%20Policy%20(w.e.f.%20April%201,%202019).pdf)

#### **WHISTLE BLOWER POLICY/VIGIL MECHANISM:**

The Company has established an effective Whistle Blower Policy pursuant to the Companies Act, 2013. The said policy may be referred to, at the Company's official website at the following weblink [http://albertdavidindia.com/investor/sh\\_information/policy/Whistle%20Blower%20Policy%20\(w.e.f.%20April%201,%202019\).pdf](http://albertdavidindia.com/investor/sh_information/policy/Whistle%20Blower%20Policy%20(w.e.f.%20April%201,%202019).pdf)

The Whistle Blower Policy aims at conducting the affairs of the Company in a fair and transparent manner by

adopting the highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics directly to the forum. It also provides for adequate safeguards against victimization of employees who avail the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

### **DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company as an organization is committed to provide a healthy environment to all its employees, and thus, does not tolerate any discrimination and/or harassment in any form. The Company has in place a Prevention of Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has set up Internal Complaint Committee which is chaired by a female employee of the Company. No complaints of sexual harassment were received during the financial year 2018-2019.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Note No. 62 to the Financial Statements provided in this Annual Report.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

A Related Party Transaction Policy has been formulated by the Board of Directors for determining the materiality of transactions with the related parties and dealing with related party transactions. The policy may be accessed at the Company's website at [http://albertdavidindia.com/investor/sh\\_information/policy/Policy\\_on\\_materiality\\_and\\_dealing\\_with\\_Related\\_Party\\_Transactions\(wef\\_01April2019\).pdf](http://albertdavidindia.com/investor/sh_information/policy/Policy_on_materiality_and_dealing_with_Related_Party_Transactions(wef_01April2019).pdf)

The Audit Committee reviews all related party transactions on quarterly basis.

All contracts or arrangements with related parties, entered into or modified during the financial year were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is no material contract or arrangement entered into by the Company during the year with Related Parties and there is no materially significant related party transaction entered into by the Company with its promoters, directors, key managerial personnel or other designated persons or related party which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable.

Your Directors draw attention of the members to Note No.52 to the Financial Statements which set out related party disclosures.

### **PARTICULARS OF EMPLOYEES:**

Details of the ratio of the remuneration of each director to the median remuneration of employees of the Company and other details pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) is attached as "Annexure - 6" to this Report.

Disclosures pertaining to Remuneration and a Statement showing the names of top ten employees in term of remuneration drawn, as required under Section 197(12) of the Act and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) is attached as "Annexure-7" to this Annual Report.

### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS:**

A separate report on Corporate Governance and Management Discussion and Analysis is annexed as part of this Annual Report along with the Auditor's Certificate in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



**RISKS & MITIGATING STEPS:**

The Company has adopted and implemented a Risk Management Policy after identifying various risk factors which the Company encounters in the course of its business. Appropriate structures are present so that risks are inherently monitored and controlled inter-alia through strict risk mitigating measures. In the opinion of the Board, none of the risks faced by the Company threatens the existence of the Company. Financial risks, the Company is exposed to, are described in the appropriate notes to the financial statements.

The Company has adequate internal control system and procedures for minimisation of risks. The risk management procedure is reviewed by the Audit Committee and Board of Directors on a quarterly basis at the time of review of quarterly financial results of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to clause (c) of sub-section (3) of Section 134 and Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that :

- i) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments 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 ended on 31<sup>st</sup> March, 2019 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 for the year ended 31<sup>st</sup> March, 2019 in accordance with the provisions of this Act 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';
- v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

Pursuant to applicable provisions of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

Your Company had sent individual notices and also advertised in the newspapers seeking action from the members who have not claimed their dividends for seven consecutive years or more. Accordingly, the Company has transferred such unpaid or unclaimed dividends amounting to Rs.2,62,786/- and the corresponding 1975 shares for the Financial Year ended 31<sup>st</sup> March, 2011, to the IEPF.

Members/claimants whose shares or unclaimed dividends have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 available at <http://www.iepf.gov.in> along with requisite fee as may decided by the IEPF Authority from time to time. The Member/claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

The Company will be transferring the Dividend and corresponding Shares for the Financial Year ended 31<sup>st</sup> March, 2012 on or before 15<sup>th</sup> September, 2019. Members are requested to ensure that they claim the dividends and

shares referred above, before they are transferred by the Company to the IEPF. Details of shares/shareholders in respect of which dividend has not been claimed are available on the Company's website at <http://albertdavidindia.com/undividend.php>. Members are therefore advised to verify their records and claim their dividends in respect of all the earlier seven years, if not already claimed.

The Company has appointed Mr. Indrajit Dhar, Associate Vice President (Accounts & Taxation)-cum-Company Secretary as the Nodal Officer for the purposes of IEPF.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:**

During the year under review, your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

#### **LISTING WITH STOCK EXCHANGES:**

Your Company is listed with BSE Ltd. and National Stock Exchange of India Ltd. and the Company has paid the Listing Fees to the said bourses on time.

#### **GENERAL DISCLOSURES:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review :

1. Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
2. Issue of Equity Shares (including Sweat Equity Shares) to employees of your Company, under any scheme;
3. Your Company has not resorted to any buy back of its Equity Shares during the year under review;
4. Your Company does not have any subsidiaries;
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and your Company's operations in future.

#### **CESSATION OF DISCONTINUED OPERATIONS:**

Assets of the Company's unit at Mandideep, whose operation was discontinued during the last year on the ground of commercial unviability, has been fully liquidated during the year under review.

#### **INDUSTRIAL RELATIONSHIP:**

Emphasis has been laid on cultivation of healthy human relationship in and outside the Company with prevalence of excellent industrial relationship in all units of the Company, branches, depots and corporate office.

#### **ACKNOWLEDGMENT:**

The Board sincerely places on record the support given by Medical Profession, Trade, Shareholders, Company's Bankers and Stockists, Central and State Government Authorities, Stock Exchanges, CDSL, NSDL and all other Business Associates for the growth of the organization. The Board further expresses its appreciation for the services rendered by the Executives, Officers, Staffs and Workers of the Company at all levels.

Registered Office :  
D - Block, 3rd Floor,  
Gillander House,  
Netaji Subhas Road,  
Kolkata - 700 001.  
CIN: L51109WB1938PLC009490  
Date : 29<sup>th</sup> May, 2019

For and on behalf of the  
Board of Directors

**A. K. Kothari**  
Executive Chairman  
DIN : 00051900

## ANNEXURE - 1

MKB & Associates  
Company Secretaries

Shantiniketan, 5th Floor, Room No. 511  
8, Camac Street, Kolkata 700017

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2019**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To  
The Members,  
**ALBERT DAVID LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ALBERT DAVID LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
  - a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
  - b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;

- f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - i) The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:
- a) The Drugs And Cosmetics Act, 1940 and Rules made there under
  - b) The Narcotic Drugs And Psychotropic Substances Act, 1985
  - c) The Food Safety And Standards Act, 2006
  - d) The Patents Act, 1970
  - e) The Trade Marks Act, 1999

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the shareholders of the Company have approved the appointment of Mr. T. S. Parmar as Managing Director & CEO of the Company for the period from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023.

This report is to be read with our letter of even date which is annexed as Annexure – I which forms an integral part of this report.

For **MKB & Associates**  
Company Secretaries  
**Manoj Kumar Banthia**  
(Partner)  
ACS No. 11470  
COP No. 7596  
FRN: P2010WB042700

Date : 29<sup>th</sup> May, 2019  
Place : Kolkata

**ANNEXURE-I**

To  
The Members  
**ALBERT DAVID LIMITED**

Our report of even date is to be read along with this letter.

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MKB & Associates**  
Company Secretaries  
**Manoj Kumar Banthia**  
(Partner)

ACS No. 11470  
COP No. 7596

FRN: P2010WB042700

Date : 29<sup>th</sup> May, 2019  
Place : Kolkata

## ANNEXURE - 2

### FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN as on the Financial Year ended on 31<sup>st</sup> March, 2019

*[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

#### I. REGISTRATION AND OTHER DETAILS

- |      |  |   |   |
|------|--|---|---|
| i)   | CIN:   | : | L51109WB1938PLC009490   |
| ii)  | Registration Date:   | : | 16/11/1938  |
| iii) | Name of the Company:   | : | ALBERT DAVID LIMITED  |
| iv)  | Category / Sub-Category of the Company:                                    | : | NON GOVT COMPANY LIMITED BY SHARES  |
| v)   | Address of the Registered Office and contact details :                     |   | 'D' BLOCK, 3RD FLOOR, GILLANDER HOUSE,<br>NETAJI SUBHAS ROAD, KOLKATA – 700001<br>Tel.: 033-2262-8436/8456/8492, 2230-2330<br>Fax: 033-2262-8439;<br>Email: adidavid@dataone.in |
| vi)  | Whether listed company   | : | YES   |
| vii) | Name, Address and Contact details of Registrar and Transfer Agents, if any | : | MAHESHWARI DATAMATICS PVT. LTD.<br>23, R. N. MUKHERJEE ROAD, 5TH FLOOR,<br>KOLKATA-700001<br>Tel. : 033-2248-2248/2243-5029; Fax: 2248-4787<br>Email : mdpldc@yahoo.com         |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company are stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of Pharmaceuticals	210 - Manufacture of Pharmaceutical Products	76.64%
2	Trading of Pharmaceuticals	46497 - Wholesale of Pharmaceuticals & Medical Goods	23.36%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

There is no subsidiary, holding or associate company.



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change
		Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
<b>A</b>	<b>Promoters</b>									
	<b>1) Indian</b>									
	a) Individual/ HUF	668000	0	668000	11.70	668000	0	668000	11.70	-
	b) Central Govt	0	0	0	0	0	0	0	0	-
	c) State Govt(s)	0	0	0	0	0	0	0	0	-
	d) Bodies Corp.	2807514	0	2807514	49.20	2807514	0	2807514	49.20	-
	e) Banks / FI	0	0	0	0	0	0	0	0	-
	f) Any Other	0	0	0	0	0	0	0	0	-
	<b>Sub-total-(A) (1)</b>	3475514	0	3475514	60.90	3475514	0	3475514	60.90	-
	<b>2) Foreign</b>									
	a) NRIs –Individuals	0	0	0	0.00	0	0	0	0.00	-
	b) Other –Individuals	0	0	0	0.00	0	0	0	0.00	-
	c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	-
	d) Banks / FI	0	0	0	0.00	0	0	0	0.00	-
	e) Any Other	0	0	0	0.00	0	0	0	0.00	-
	<b>Sub-total- (A) (2)</b>	0	0	0	0.00	0	0	0	0.00	-
	<b>Total shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	3475514	0	3475514	60.90	3475514	0	3475514	60.90	-
<b>B</b>	<b>Public Shareholding</b>									
	<b>1) Institutions</b>									
	a) Mutual Funds	0	900	900	0.02	0	900	900	0.02	-
	b) Banks / FI	3500	550	4050	0.07	7636	550	8186	0.14	0.07
	c) Central Govt.	0	0	0	0.00	0	0	0	0.00	-
	d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	-
	e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
	f) Insurance Companies	258126	0	258126	4.52	246101	0	246101	4.31	(0.21)
	g) FIIs	0	0	0	0.00	0	0	0	0.00	-
	h) Foreign Venture Capital funds	0	0	0	0.00	0	0	0	0.00	-
	i) Others	0	0	0	0.00	0	0	0	0.00	-
	Alternative Investment Funds	0	0	0	0.00	0	0	0	0.00	-
	• Foreign Portfolio Investors	0	0	0	0.00	6661	0	6661	0.12	0.12
	• Provident Funds / Pension Funds	0	0	0	0.00	0	0	0	0.00	-
	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
	<b>Sub-total (B)(1)</b>	261626	1450	263076	4.61	260398	1450	261848	4.59	(0.02)
	<b>2) Non-Institutions</b>									
	a) Bodies Corp.									
	i) Indian	215135	826	215961	3.78	173328	825	174153	3.05	(0.73)
	ii) Overseas	0	0	0	0	0	0	0	0	-

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change
		Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1410999	108079	1519078	26.62	1441396	86335	1527731	26.77	0.15
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	140859	0	140859	2.47	144501	0	144501	2.53	0.06
	c) Others:									
	Non Resident Indians	48390	75	48465	0.85	78760	75	78835	1.38	0.53
	Qualified Foreign Investor	0	0	0	0	0	0	0	0	-
	Custodian of Enemy Property	0	0	0	0	0	0	0	0	-
	Foreign Nationals	0	0	0	0	0	0	0	0	-
	Clearing Members	20095	0	20095	0.35	18471	0	18471	0.32	(0.03)
	Trusts	0	0	0	0	0	0	0	0	0
	Foreign Bodies – DR	0	0	0	0	0	0	0	0	0
	Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
	NBFCs registered with RBI	0	0	0	0	20	0	20	0.00	0.00
	Employee Trusts	0	0	0	0	0	0	0	0	0
	Domestic Corporate	0	0	0	0	0	0	0	0	0
	Unclaimed Shares Account	0	0	0	0	0	0	0	0	0
	Investor Education and Protection Fund Authority	0	0	0	0	0	0	0	0	0
		24114	0	24114	0.42	26089	0	26089	0.46	0.04
	<b>Sub-total (B)(2)</b>	1859592	108980	1968572	34.49	1882565	87235	1969800	34.51	0.02
	<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	2121218	110430	2231648	39.10	2142963	88685	2231648	39.10	-
<b>C</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	-
	<b>Grand Total (A+B+C)</b>	5596732	110430	5707162	100	5618477	88685	5707162	100	-

**(ii) Shareholding of Promoters**

Sl. No.	Promoter's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ANAND VARDHAN KOTHARI	553500	9.70	0	553500	9.70	0	-
2	ARUN KUMAR KOTHARI	87000	1.53	0	87000	1.53	0	-
3	ARUN KUMAR KOTHARI-KARTA OF PARAMSUKHDAS SUGANCHAND (HUF)	15000	0.26	0	15000	0.26	0	-
4	PRABHAWATI DEVI KOTHARI	12500	0.22	0	12500	0.22	0	-

Sl. No.	Promoter's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
5	COMMERCIAL HOUSE PVT. LTD.	400334	7.01	0	400334	7.01	0	—
6	KOTHARI & COMPANY PVT. LTD.	398341	6.98	0	398341	6.98	0	—
7	M.D. KOTHARI & COMPANY LTD.	393694	6.90	0	393694	6.90	0	—
8	KOTHARI INVESTMENT & INDUSTRIES PVT. LTD.	313900	5.50	0	313900	5.50	0	—
9	BHAKT WATSAL INVESTMENTS LTD.	99781	1.75	0	99781	1.75	0	—
10	KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD.	61589	1.08	0	61589	1.08	0	—
11	VISHNUHARI INVESTMENTS & PROPERTIES LTD.	1139875	19.97	0	1139875	19.97	0	—
<b>Total</b>		<b>3475514</b>	<b>60.90</b>	<b>0</b>	<b>3475514</b>	<b>60.90</b>	<b>0</b>	<b>—</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	3475514	60.90	3475514	60.90
Date wise increase/decrease in Promoters' share holding during the year specifying the reasons for increase/decrease	—	—	—	—
ANAND VARDHAN KOTHARI				
At the beginning of the year	553500	9.70	—	—
CHANGES DURING THE YEAR	No Change	—	—	—
At the end of the year	—	—	553500	9.70
ARUN KUMAR KOTHARI				
At the beginning of the year	87000	1.53	—	—
CHANGES DURING THE YEAR	No Change	—	—	—
At the end of the year	—	—	87000	1.53
ARUN KUMAR KOTHARI – KARTA OF PARAMSUKHDAS SUGANCHAND (HUF)				
At the beginning of the year	15000	0.26	—	—
CHANGES DURING THE YEAR	No change	—	—	—
At the end of the year	—	—	15000	0.26
PRABHAWATI DEVI KOTHARI				
At the beginning of the year	12500	0.22	—	—
CHANGES DURING THE YEAR	No change	—	—	—
At the end of the year	—	—	12500	0.22
COMMERCIAL HOUSE PVT. LTD.				
At the beginning of the year	400334	7.01	—	—
CHANGES DURING THE YEAR	No change	—	—	—
At the end of the year	—	—	400334	7.01

Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
KOTHARI & CO. PVT. LTD. At the beginning of the year	398341	6.98	—	—
CHANGES DURING THE YEAR	No change	—	—	—
At the end of the year	—	—	398341	6.98
M. D. KOTHARI & CO. LTD. At the beginning of the year	393694	6.90	—	—
CHANGES DURING THE YEAR	No change	—	—	—
At the end of the year	—	—	393694	6.90
KOTHARI INVESTMENT & INDUSTRIES PVT. LTD. At the beginning of the year	313900	5.50	—	—
CHANGES DURING THE YEAR	No change	—	—	—
At the end of the year	—	—	313900	5.50
BHAKTWATSAL INVESTMENTS LTD. At the beginning of the year	99781	1.75	—	—
CHANGES DURING THE YEAR	No change	—	—	—
At the end of the year	—	—	99781	1.75
KOTHARI PHYTOCHEMICALS & INDUSTRIES PVT. LTD. At the beginning of the year	61589	1.08	—	—
CHANGES DURING THE YEAR	No change	—	—	—
At the end of the year	—	—	61589	1.08
VISHNUHARI INVESTMENTS & PROPERTIES LTD. At the beginning of the year	1139875	19.97	—	—
CHANGES DURING THE YEAR	No change	—	—	—
At the end of the year	—	—	1139875	19.97
At the end of the year	3475514	60.90	3475514	60.90

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sl. No.	For each of top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	GENERAL INSURANCE CORP. OF INDIA				
	At the beginning of the year	258126	4.52	—	—
	CHANGES DURING THE YEAR				
	Sale on 22/06/2018	12025	0.21	246101	4.31
	At the end of the year	246101	4.31	246101	4.31
2	JM FINANCIAL SERVICES LIMITED				
	At the beginning of the year	—	—	—	—
	CHANGES DURING THE YEAR				
	Buy on 13/04/2018	2000	0.04	2000	0.04
	Sale on 20/04/2018	2000	0.04	0	0.00
	Buy on 25/05/2018	15087	0.26	15087	0.26
	Buy on 08/06/2018	1714	0.03	16801	0.29
	Buy on 15/06/2018	20339	0.36	37140	0.65
	Sale on 22/06/2018	1500	0.03	35640	0.62
	Sale on 29/06/2018	3476	0.06	32164	0.56
	Sale on 20/07/2018	14842	0.29	17322	0.34

Sl. No.	For each of top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Sale on 27/07/2018	245	0.00	17077	0.30
	Buy on 10/08/2018	3279	0.06	20356	0.36
	Buy on 17/08/2018	2140	0.04	22496	0.39
	Sale on 24/08/2018	6184	0.11	16312	0.29
	Sale on 31/08/2018	691	0.01	15621	0.27
	Sale on 07/09/2018	5153	0.09	10468	0.18
	Sale on 14/09/2018	1548	0.03	8920	0.16
	Sale on 21/09/2018	6403	0.11	2517	0.04
	Sale on 28/09/2018	2245	0.04	272	0.00
	Buy on 29/09/2018	12	0.00	284	0.01
	Buy on 05/10/2018	263	0.00	547	0.01
	Sale on 12/10/2018	534	0.01	13	0.00
	Sale on 19/10/2018	7	0.00	6	0.00
	Buy on 26/10/2018	56	0.00	62	0.00
	Sale on 02/11/2018	55	0.00	7	0.00
	Sale on 09/11/2018	7	0.00	0	0.00
	Buy on 16/11/2018	300	0.01	300	0.01
	Buy on 23/11/2018	1387	0.02	1687	0.03
	Sale on 30/11/2018	1587	0.03	100	0.00
	Sale on 07/12/2018	100	0.00	0	0.00
	Buy on 14/12/2018	5	0.00	5	0.00
	Buy on 21/12/2018	303	0.01	308	0.01
	Sale on 28/12/2018	208	0.00	100	0.00
	Sale on 04/01/2019	50	0.00	50	0.00
	Sale on 11/01/2019	50	0.00	0	0.00
	Buy on 25/01/2019	4	0.00	4	0.00
	Sale on 01/02/2019	3	0.00	1	0.00
	Buy on 08/02/2019	6	0.00	7	0.00
	Buy on 15/02/2019	2915	0.05	2922	0.05
	Sale on 22/02/2019	2915	0.05	7	0.00
	Buy on 15/03/2019	25	0.00	32	0.00
	Sale on 22/03/2019	30	0.00	2	0.00
	Buy on 29/03/2019	508	0.01	510	0.01
	Sale on 31/03/2019	510	0.01	0	0.00
	At the end of the year	–	–	0	0.00
3	LOK PRAKASHAN LTD				
	At the beginning of the year	24081	0.42	–	–
	CHANGES DURING THE YEAR	No change	–	–	–
	At the end of the year	24081	0.42	24081	0.42
4	ANGEL BROKING LIMITED				
	At the beginning of the year	3850	0.07	–	–
	CHANGES DURING THE YEAR				
	Sale on 06/04/2018	541	0.01	3309	0.06
	Sale on 13/04/2018	968	0.02	2341	0.04
	Buy on 20/04/2018	50	0.00	2391	0.04
	Sale on 27/04/2018	100	0.00	2291	0.04
	Buy on 04/05/2018	291	0.01	2582	0.05
	Sale on 11/05/2018	106	0.00	2476	0.04
	Sale on 18/05/2018	285	0.01	2191	0.04
	Buy on 25/05/2018	50	0.00	2241	0.04

Sl. No.	For each of top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Sale on 01/06/2018	291	0.01	1950	0.03
	Buy on 08/06/2018	12	0.00	1962	0.03
	Buy on 15/06/2018	984	0.02	2946	0.05
	Buy on 22/06/2018	663	0.01	3609	0.06
	Buy on 29/06/2018	495	0.01	4104	0.07
	Buy on 30/06/2018	112	0.00	4216	0.07
	Sale on 06/07/2018	3862	0.08	354	0.01
	Buy on 27/07/2018	3429	0.06	3783	0.07
	Sale on 03/08/2018	490	0.01	3293	0.06
	Buy on 10/08/2018	394	0.01	3687	0.06
	Buy on 17/08/2018	503	0.01	4190	0.07
	Sale on 24/08/2018	2128	0.04	2062	0.04
	Buy on 31/08/2018	942	0.02	3004	0.05
	Buy on 07/09/2018	5175	0.09	8179	0.14
	Buy on 14/09/2018	7907	0.14	16086	0.28
	Sale on 21/09/2018	1464	0.03	14622	0.26
	Sale on 28/09/2018	6304	0.11	8318	0.15
	Sale on 05/10/2018	2019	0.04	6299	0.11
	Buy on 12/10/2018	385	0.01	6684	0.12
	Buy on 19/10/2018	609	0.01	7293	0.13
	Sale on 26/10/2018	1295	0.02	5998	0.11
	Sale on 02/11/2018	1677	0.03	4321	0.08
	Buy on 09/11/2018	496	0.01	4817	0.08
	Sale on 16/11/2018	643	0.01	4174	0.07
	Buy on 23/11/2018	81	0.00	4255	0.07
	Buy on 30/11/2018	2122	0.04	6377	0.11
	Sale on 07/12/2018	2247	0.04	4130	0.07
	Sale on 14/12/2018	294	0.01	3836	0.07
	Buy on 21/12/2018	43	0.00	3879	0.07
	Sale on 28/12/2018	377	0.01	3502	0.06
	Buy on 31/12/2018	193	0.00	3695	0.06
	Buy on 04/01/2019	255	0.00	3950	0.07
	Sale on 11/01/2019	604	0.01	3346	0.06
	Sale on 18/01/2019	586	0.01	2760	0.05
	Sale on 25/01/2019	116	0.00	2644	0.05
	Sale on 01/02/2019	342	0.01	2302	0.04
	Sale on 08/02/2019	34	0.00	2268	0.04
	Buy on 15/02/2019	257	0.00	2525	0.04
	Sale on 22/02/2019	93	0.00	2432	0.04
	Sale on 01/03/2019	103	0.00	2329	0.04
	Buy on 08/03/2019	101	0.00	2430	0.04
	Sale on 15/03/2019	112	0.00	2318	0.04
	Sale on 22/03/2019	232	0.00	2086	0.04
	Sale on 29/03/2019	837	0.01	1249	0.02
	At the end of the year	1249	0.02	1249	0.02
5	ANAND RATHI SHARE & STOCK BROKERS LTD. At the beginning of the year CHANGES DURING THE YEAR	6885	0.12	—	—



Sl. No.	For each of top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Sale on 06/04/2018	500	0.01	6385	0.11
	Buy on 04/05/2018	110	0.00	6495	0.11
	Buy on 11/05/2018	62	0.00	6557	0.11
	Sale on 18/05/2018	157	0.00	6400	0.11
	Buy on 01/06/2018	10	0.00	6410	0.11
	Sale on 08/06/2018	10	0.00	6400	0.11
	Buy on 15/06/2018	446	0.01	6846	0.12
	Sale on 22/06/2018	411	0.01	6435	0.11
	Buy on 29/06/2018	10	0.00	6445	0.11
	Sale on 06/07/2018	6345	0.13	100	0.00
	Buy on 27/07/2018	6343	0.11	6443	0.11
	Sale on 03/08/2018	22	0.00	6421	0.11
	Buy on 10/08/2018	1716	0.03	8137	0.14
	Buy on 17/08/2018	423	0.01	8560	0.15
	Sale on 24/08/2018	2036	0.04	6524	0.11
	Buy on 31/08/2018	716	0.01	7240	0.13
	Buy on 07/09/2018	76	0.00	7316	0.13
	Buy on 14/09/2018	4554	0.08	11870	0.21
	Buy on 21/09/2018	3875	0.07	15745	0.28
	Sale on 28/09/2018	1798	0.03	13947	0.24
	Sale on 29/09/2018	50	0.00	13897	0.24
	Buy on 05/10/2018	408	0.01	14305	0.25
	Sale on 12/10/2018	817	0.01	13488	0.24
	Buy on 19/10/2018	47	0.00	13535	0.24
	Sale on 26/10/2018	92	0.00	13443	0.24
	Buy on 02/11/2018	13	0.00	13456	0.24
	Sale on 09/11/2018	7	0.00	13449	0.24
	Buy on 16/11/2018	74	0.00	13523	0.24
	Buy on 30/11/2018	2320	0.04	15843	0.28
	Sale on 07/12/2018	1867	0.03	13976	0.25
	Sale on 14/12/2018	43	0.00	13933	0.24
	Sale on 21/12/2018	387	0.01	13546	0.24
	Sale on 28/12/2018	36	0.00	13510	0.24
	Buy on 31/12/2018	50	0.00	13560	0.24
	Sale on 04/01/2019	45	0.00	13515	0.24
	Sale on 11/01/2019	10	0.00	13505	0.24
	Buy on 18/01/2019	160	0.00	13665	0.24
	Buy on 25/01/2019	49	0.00	13714	0.24
	Sale on 01/02/2019	7279	0.13	6435	0.11
	Buy on 08/02/2019	201	0.00	6636	0.12
	Sale on 15/02/2019	196	0.00	6440	0.11
	Sale on 22/02/2019	7	0.00	6433	0.11
	Sale on 01/03/2019	40	0.00	6393	0.11
	Buy on 08/03/2019	14	0.00	6407	0.11
	Buy on 15/03/2019	119	0.00	6526	0.11
	Sale on 22/03/2019	30	0.00	6496	0.11
	Sale on 29/03/2019	21	0.00	6475	0.11
	At the end of the year	6475	0.11	6475	0.11

Sl. No.	For each of top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	ZERODHA				
	At the beginning of the year	—	—	—	—
	CHANGES DURING THE YEAR				
	Buy on 06/04/2018	99	0.00	99	0.00
	Sale on 13/04/2018	99	0.00	0	0.00
	Buy on 04/05/2018	10	0.00	10	0.00
	Sale on 11/05/2018	9	0.00	1	0.00
	Buy on 01/06/2018	8	0.00	9	0.00
	Buy on 08/06/2018	7	0.00	16	0.00
	Buy on 15/06/2018	425	0.01	441	0.01
	Sale on 22/06/2018	430	0.01	11	0.00
	Buy on 29/06/2018	28	0.00	39	0.00
	Sale on 06/07/2018	24	0.00	15	0.00
	Sale on 13/07/2018	13	0.00	2	0.00
	Buy on 20/07/2018	23	0.00	25	0.00
	Sale on 27/07/2018	13	0.00	12	0.00
	Sale on 03/08/2018	11	0.00	1	0.00
	Buy on 10/08/2018	24	0.00	25	0.00
	Buy on 17/08/2018	3126	0.05	3151	0.06
	Sale on 24/08/2018	2815	0.05	336	0.01
	Sale on 31/08/2018	256	0.00	80	0.00
	Buy on 07/09/2018	2776	0.05	2856	0.05
	Buy on 14/09/2018	1413	0.02	4269	0.07
	Sale on 21/09/2018	3269	0.06	1000	0.02
	Buy on 28/09/2018	377	0.01	1377	0.02
	Sale on 05/10/2018	1064	0.02	313	0.01
	Sale on 12/10/2018	75	0.00	238	0.00
	Buy on 19/10/2018	129	0.00	367	0.01
	Sale on 26/10/2018	130	0.00	237	0.00
	Buy on 02/11/2018	1354	0.02	1591	0.03
	Sale on 09/11/2018	1334	0.02	257	0.00
	Sale on 16/11/2018	257	0.00	0	0.00
	Buy on 23/11/2018	13949	0.24	13949	0.24
	Sale on 30/11/2018	13371	0.23	578	0.01
	Sale on 07/12/2018	442	0.01	136	0.00
	Sale on 14/12/2018	92	0.00	44	0.00
	Buy on 21/12/2018	604	0.01	648	0.01
	Sale on 28/12/2018	628	0.01	20	0.00
	Buy on 31/12/2018	207	0.00	227	0.00
	Sale on 04/01/2019	162	0.00	65	0.00
	Buy on 11/01/2019	35	0.00	30	0.00
	Buy on 18/01/2019	35	0.00	65	0.00
	Sale on 25/01/2019	39	0.00	26	0.00
	Buy on 01/02/2019	173	0.00	199	0.00
	Buy on 08/02/2019	215	0.00	414	0.01
	Sale on 15/02/2019	178	0.00	236	0.00
	Sale on 22/02/2019	201	0.00	35	0.00
	Buy on 01/03/2019	38	0.00	73	0.00
	Buy on 08/03/2019	240	0.00	313	0.01
	Sale on 15/03/2019	313	0.01	0	0.00
	At the end of the year	0	0.00	0	0.00

Sl. No.	For each of top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	ARIHANT CAP. MKTS LTD # At the beginning of the year CHANGES DURING THE YEAR	25684	0.45	—	—
	Sale on 06/04/2018	1320	0.02	24364	0.43
	Sale on 13/04/2018	529	0.01	23835	0.42
	Sale on 20/04/2018	153	0.00	23682	0.42
	Sale on 27/04/2018	399	0.01	23283	0.41
	Buy on 04/05/2018	512	0.01	23795	0.42
	Buy on 11/05/2018	75	0.00	23870	0.42
	Buy on 18/05/2018	2060	0.04	25930	0.45
	Sale on 25/05/2018	3049	0.05	22881	0.40
	Sale on 01/06/2018	4768	0.08	18113	0.32
	Sale on 08/06/2018	5308	0.09	12805	0.22
	Sale on 15/06/2018	9652	0.17	3153	0.06
	Sale on 22/06/2018	154	0.00	2999	0.05
	Buy on 29/06/2018	218	0.00	3217	0.06
	Sale on 06/07/2018	271	0.01	2946	0.06
	Buy on 13/07/2018	73	0.00	3019	0.06
	Sale on 20/07/2018	87	0.00	2932	0.06
	Buy on 27/07/2018	64	0.00	2996	0.05
	Sale on 03/08/2018	90	0.00	2906	0.05
	Sale on 10/08/2018	24	0.00	2882	0.05
	Sale on 17/08/2018	372	0.01	2510	0.04
	Sale on 24/08/2018	631	0.01	1879	0.03
	Buy on 31/08/2018	8	0.00	1887	0.03
	Buy on 07/09/2018	80	0.00	1967	0.03
	Buy on 14/09/2018	2869	0.05	4836	0.08
	Sale on 21/09/2018	2361	0.04	2475	0.04
	Sale on 28/09/2018	1607	0.03	868	0.02
	Buy on 05/10/2018	199	0.00	1067	0.02
	Buy on 12/10/2018	2100	0.04	3167	0.06
	Sale on 19/10/2018	958	0.02	2209	0.04
	Sale on 26/10/2018	803	0.01	1406	0.02
	Sale on 02/11/2018	690	0.01	716	0.01
	Sale on 09/11/2018	93	0.00	623	0.01
	Sale on 16/11/2018	21	0.00	602	0.01
	Buy on 23/11/2018	2991	0.05	3593	0.06
	Buy on 30/11/2018	205	0.00	3798	0.07
	Sale on 07/12/2018	3130	0.05	668	0.01
	Buy on 14/12/2018	2158	0.04	2826	0.05
	Sale on 21/12/2018	1558	0.03	1268	0.02
	Sale on 28/12/2018	405	0.01	863	0.02
	Buy on 31/12/2018	200	0.00	1063	0.02
	Buy on 04/01/2019	308	0.01	1371	0.02
	Sale on 11/01/2019	193	0.00	1178	0.02
	Buy on 18/01/2019	505	0.01	1683	0.03
	Buy on 25/01/2019	273	0.00	1956	0.03
	Sale on 01/02/2019	192	0.00	1764	0.03
	Buy on 08/02/2019	68	0.00	1832	0.03
	Sale on 15/02/2019	796	0.01	1036	0.02
	Buy on 22/02/2019	236	0.00	1272	0.02

Sl. No.	For each of top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Sale on 01/03/2019	317	0.01	955	0.02
	Buy on 08/03/2019	149	0.00	1104	0.02
	Buy on 15/03/2019	760	0.01	1864	0.03
	Buy on 22/03/2019	445	0.01	2309	0.04
	Sale on 29/03/2019	1185	0.02	1124	0.02
	At the end of the year	1124	0.02	1124	0.02
8	MASTER CAPITAL SERV LTD. At the beginning of the year	670	0.01	—	—
	CHANGES DURING THE YEAR				
	Sale on 20/04/2018	23	0.00	647	0.01
	Sale on 08/06/2018	2	0.00	645	0.01
	Sale on 15/06/2018	45	0.00	600	0.01
	Sale on 20/07/2018	475	0.01	125	0.00
	Sale on 10/08/2018	100	0.00	25	0.00
	Buy on 17/08/2018	1210	0.02	1235	0.02
	Sale on 24/08/2018	1115	0.02	120	0.00
	Buy on 07/09/2018	4113	0.07	4233	0.07
	Buy on 14/09/2018	3195	0.06	7428	0.13
	Sale on 21/09/2018	62	0.00	7366	0.13
	Buy on 28/09/2018	9660	0.17	17026	0.30
	Buy on 05/10/2018	7	0.00	17033	0.30
	Sale on 12/10/2018	15132	0.27	1901	0.03
	Buy on 19/10/2018	175	0.00	2076	0.04
	Sale on 26/10/2018	376	0.01	1700	0.03
	Sale on 02/11/2018	660	0.01	1040	0.02
	Buy on 09/11/2018	9165	0.16	10205	0.18
	Sale on 16/11/2018	162	0.00	10043	0.18
	Buy on 23/11/2018	3	0.00	10046	0.18
	Buy on 30/11/2018	415	0.01	10461	0.18
	Buy on 07/12/2018	19	0.00	10480	0.18
	Sale on 14/12/2018	5872	0.10	4608	0.08
	Sale on 21/12/2018	2862	0.05	1746	0.03
	Sale on 28/12/2018	394	0.01	1352	0.02
	Sale on 11/01/2019	200	0.00	1152	0.02
	Sale on 25/01/2019	600	0.01	552	0.01
	Sale on 01/02/2019	274	0.00	278	0.00
	Buy on 15/02/2019	64	0.00	342	0.01
	Sale on 22/02/2019	119	0.00	223	0.00
	Sale on 08/03/2019	60	0.00	163	0.00
	Buy on 15/03/2019	1	0.00	164	0.00
	Buy on 22/03/2019	3	0.00	167	0.00
	Sale on 29/03/2019	49	0.00	118	0.00
	At the end of the year	118	0.00	118	0.00
9	NEW MILLENIUM TECHNOLOGY MANAGEMENT PRIVATE LIMITED At the beginning of the year	14500	0.25	—	—
	CHANGES DURING THE YEAR				
	Sale on 06/07/2018	14500	0.29	0	0.00
	Buy on 27/07/2018	14500	0.25	14500	0.25
	Sale on 05/10/2018	500	0.01	14000	0.25
	Sale on 15/02/2019	3497	0.06	10503	0.18
	At the end of the year	10503	0.18	10503	0.18

Sl. No.	For each of top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	TEJASH FINSTOCK PRIVATE LIMITED				
	At the beginning of the year	15087	0.26	–	–
	CHANGES DURING THE YEAR				
	Sale on 25/05/2018	15087	0.26	0	0.00
	Buy on 20/07/2018	15087	0.30	15087	0.30
	Sale on 14/09/2018	11000	0.19	4087	0.07
	At the end of the year	4087	0.07	4087	0.07
11	SUNIDHI CONSULTANCY SERVICES PVT. LTD.				
	At the beginning of the year	25000	0.44	–	–
	CHANGES DURING THE YEAR				
	Sale on 08/06/2018	2300	0.04	22700	0.40
	Sale on 15/06/2018	9690	0.17	13010	0.23
	Sale on 22/06/2018	5040	0.09	7970	0.14
	Sale on 29/06/2018	2970	0.05	5000	0.09
	Sale on 06/07/2018	5000	0.10	0	0.00
	Buy on 27/07/2018	5000	0.09	5000	0.09
	Buy on 17/08/2018	245	0.00	5245	0.09
	Sale on 24/08/2018	238	0.00	5007	0.09
	Buy on 31/08/2018	7	0.00	5000	0.09
	Sale on 07/09/2018	4855	0.09	145	0.00
	Buy on 14/09/2018	100	0.00	245	0.00
	Sale on 21/09/2018	201	0.00	44	0.00
	Buy on 28/09/2018	156	0.00	200	0.00
	Sale on 05/10/2018	200	0.00	0	0.00
	Buy on 12/10/2018	89	0.00	89	0.00
	Buy on 19/10/2018	31	0.00	120	0.00
	Sale on 26/10/2018	90	0.00	30	0.00
	Sale on 02/11/2018	10	0.00	20	0.00
	Buy on 09/11/2018	30	0.00	50	0.00
	Sale on 16/11/2018	10	0.00	40	0.01
	Buy on 23/11/2018	512	0.01	552	0.01
	Buy on 30/11/2018	1049	0.02	1601	0.03
	Sale on 07/12/2018	1236	0.02	365	0.01
	Sale on 14/12/2018	80	0.00	285	0.01
	Sale on 21/12/2018	253	0.00	32	0.00
	Sale on 28/12/2018	7	0.00	25	0.00
	Sale on 31/12/2018	25	0.00	0	0.00
	Buy on 04/01/2019	63	0.00	63	0.00
	Sale on 11/01/2019	43	0.00	20	0.00
	Sale on 18/01/2019	4	0.00	16	0.00
	Buy on 25/01/2019	2989	0.05	3005	0.05
	Buy on 01/02/2019	2455	0.04	5460	0.10
	Buy on 08/02/2019	2654	0.05	8114	0.14
	Buy on 15/02/2019	710	0.01	8824	0.15
	Buy on 22/02/2019	5000	0.09	13824	0.24
	Buy on 01/03/2019	405	0.01	14229	0.25
	Sale on 08/03/2019	400	0.01	13829	0.24
	Sale on 15/03/2019	5	0.00	13824	0.24
	Buy on 22/03/2019	298	0.01	14122	0.25
	Sale on 29/03/2019	155	0.00	13967	0.24
	At the end of the year	13967	0.24	13967	0.24

Sl. No.	For each of top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	SUPERLATIVE ADHESIVES PVT. LTD. At the beginning of the year CHANGES DURING THE YEAR At the end of the year	17000 No change 17000	0.30 — 0.30	— — 17000	— — 0.30
13	KALYANI P JAIN At the beginning of the year CHANGES DURING THE YEAR At the end of the year	22838 No change 22838	0.40 — 0.40	— — 22838	— — 0.40
14	ROHAN DIPAK RANDERY At the beginning of the year CHANGES DURING THE YEAR Buy on 06/04/2018 Buy on 25/05/2018 Sale on 10/08/2018 At the end of the year	10900 1000 2000 1000 12900	0.19 0.02 0.04 0.02 0.23	— 11900 13900 12900 12900	— 0.21 0.24 0.23 0.23
15	SWETA AGARWAL # At the beginning of the year CHANGES DURING THE YEAR Sale on 07/09/2018 Sale on 14/09/2018 Sale on 23/11/2018 Sale on 07/12/2018 Sale on 22/02/2019 At the end of the year	17000 11000 1000 3933 67 1000 0	0.30 0.19 0.02 0.07 0.00 0.02 0.00	— 6000 5000 1067 1000 0 0	— 0.11 0.09 0.02 0.02 0.00 0.00
16	VINAY JAIPRAKASH AMBEKAR * At the beginning of the year CHANGES DURING THE YEAR Buy on 08/06/2018 Buy on 15/06/2018 Buy on 22/06/2018 Buy on 29/06/2018 Buy on 06/07/2018 Buy on 13/07/2018 Buy on 20/07/2018 Buy on 28/09/2018 Buy on 05/10/2018 Buy on 12/10/2018 Sale on 22/02/2019 At the end of the year	— 3908 8751 3841 3500 1638 5872 2500 1000 2000 990 6000 28000	— 0.07 0.15 0.07 0.06 0.03 0.12 0.05 0.02 0.04 0.02 0.11 0.49	— 3908 12659 16500 20000 21638 27510 30010 31010 33010 34000 28000 28000	— 0.07 0.22 0.29 0.35 0.43 0.54 0.59 0.54 0.58 0.60 0.49 0.49
17	RAJU AJIT BHANDARI # At the beginning of the year CHANGES DURING THE YEAR Sale on 06/04/2018 Sale on 20/04/2018 Sale on 27/04/2018 Sale on 04/05/2018 Sale on 11/05/2018 Sale on 01/06/2018 Sale on 08/06/2018 Sale on 15/06/2018 Sale on 22/06/2018 Sale on 29/06/2018	20015 230 20 137 50 220 850 827 1136 350 325	0.35 0.00 0.00 0.00 0.00 0.00 0.01 0.01 0.02 0.01 0.01	— 19785 19765 19628 19578 19358 18508 17681 16545 16195 15870	— 0.35 0.35 0.34 0.34 0.34 0.32 0.31 0.29 0.28 0.28



Sl. No.	For each of top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Sale on 06/07/2018	15757	0.31	113	0.00
	Buy on 27/07/2018	15428	0.27	15541	0.27
	Buy on 03/08/2018	774	0.01	16315	0.29
	Sale on 17/08/2018	155	0.00	16160	0.28
	Sale on 24/08/2018	183	0.00	15977	0.28
	Sale on 31/08/2018	90	0.00	15887	0.28
	Sale on 07/09/2018	2193	0.04	13694	0.24
	Sale on 14/09/2018	900	0.02	12794	0.22
	Sale on 21/09/2018	480	0.01	12314	0.22
	Buy on 29/09/2018	5	0.00	12319	0.22
	Sale on 26/10/2018	206	0.00	12113	0.21
	At the end of the year	12113	0.21	12113	0.21
18	MOHIB NOMANBHAI KHERICHA *				
	At the beginning of the year	—	—	—	—
	CHANGES DURING THE YEAR				
	Buy on 21/12/2018	3156	0.06	3156	0.06
	Buy on 28/12/2018	3878	0.07	7034	0.12
	Buy on 31/12/2018	1000	0.02	8034	0.14
	Buy on 04/01/2019	2318	0.04	10352	0.18
	Buy on 11/01/2019	1447	0.03	11799	0.21
	Buy on 18/01/2019	1000	0.02	12799	0.22
	Buy on 01/03/2019	1200	0.02	13999	0.25
	Buy on 22/03/2019	3500	0.06	17499	0.31
	At the end of the year	17499	0.31	17499	0.31
19	KIRAN NAVINCHANDRA ASHER				
	At the beginning of the year	—	—	—	—
	CHANGES DURING THE YEAR				
	Buy on 07/09/2018	18000	0.32	18000	0.32
	Sale on 14/09/2018	14000	0.25	4000	0.07
	Sale on 21/09/2018	4000	0.07	0	0.00
	At the end of the year	0	0.00	0	0.00
20	VINAY KUMAR ARORA				
	At the beginning of the year	10750	0.19	—	—
	CHANGES DURING THE YEAR				
	Buy on 11/05/2018	201	0.00	10951	0.19
	Buy on 18/05/2018	1000	0.02	11951	0.21
	Buy on 25/05/2018	880	0.02	12831	0.22
	Buy on 11/01/2019	124	0.00	12955	0.23
	At the end of the year	12955	0.23	12955	0.23
21	PANKAJ PRASOON #				
	At the beginning of the year	17100	0.30	—	—
	CHANGES DURING THE YEAR				
	Buy on 01/06/2018	1800	0.03	18900	0.33
	Sale on 06/07/2018	18900	0.37	0	0.00
	Buy on 27/07/2018	18900	0.33	18900	0.33
	Sale on 07/09/2018	9900	0.17	9000	0.16
	Sale on 14/09/2018	3600	0.06	5400	0.09
	Sale on 21/09/2018	3600	0.06	1800	0.03
	Sale on 28/09/2018	1350	0.02	450	0.01
	Sale on 12/10/2018	450	0.01	0	0.00
	Buy on 30/11/2018	2700	0.05	2700	0.05
	Sale on 07/12/2018	2700	0.05	0	0.00
	At the end of the year	0	0.0000	0	0.00

Sl. No.	For each of top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
22	SACHIN KASERA *				
	At the beginning of the year	—	—	—	—
	CHANGES DURING THE YEAR				
	Buy on 30/11/2018	576	0.01	576	0.01
	Buy on 07/12/2018	4424	0.08	5000	0.09
	Buy on 22/03/2019	5500	0.10	10500	0.18
	Buy on 29/03/2019	12822	0.22	23322	0.41
	At the end of the year	23322	0.41	23322	0.41
23	RASHMI RANI PAHWA *				
	At the beginning of the year	4838	0.08	—	—
	CHANGES DURING THE YEAR				
	Buy on 06/04/2018	585	0.01	5423	0.10
	Buy on 13/04/2018	1329	0.02	6752	0.12
	Buy on 20/04/2018	3163	0.06	9915	0.17
	Buy on 27/04/2018	5180	0.09	15095	0.26
	Buy on 04/05/2018	2524	0.04	17619	0.31
	Buy on 11/05/2018	2567	0.05	20186	0.35
	Buy on 18/05/2018	2943	0.05	23129	0.41
	Buy on 25/05/2018	8491	0.15	31620	0.55
	Buy on 01/06/2018	2040	0.04	33660	0.59
	Buy on 08/06/2018	1773	0.03	35433	0.62
	Buy on 15/06/2018	4260	0.07	39693	0.70
	Buy on 17/08/2018	1127	0.02	40820	0.72
	Sale on 23/11/2018	12255	0.21	28565	0.50
	Sale on 30/11/2018	7430	0.13	21135	0.37
	Sale on 07/12/2018	788	0.01	20347	0.36
	At the end of the year	20347	0.36	20347	0.36
24	SUMITRADEVI KASERA				
	At the beginning of the year	—	—	—	—
	CHANGES DURING THE YEAR				
	Buy on 17/08/2018	10000	0.18	10000	0.18
	Buy on 07/09/2018	2500	0.04	12500	0.22
	Buy on 14/09/2018	7500	0.13	20000	0.35
	Sale on 22/03/2019	4700	0.08	15300	0.27
	Sale on 29/03/2019	13363	0.23	1937	0.03
	At the end of the year	1937	0.03	1937	0.03
25	MANISH SHAH #				
	At the beginning of the year	24900	0.44	—	—
	CHANGES DURING THE YEAR				
	Sale on 04/05/2018	15	0.00	24885	0.44
	Sale on 18/05/2018	1200	0.02	23685	0.42
	Sale on 08/06/2018	2000	0.04	21685	0.38
	Sale on 15/06/2018	21685	0.38	0	0.00
	At the end of the year	0	0.00	0	0.00
26	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	At the beginning of the year	24114	0.42	—	—
	CHANGES DURING THE YEAR				
	Transfer on 05/10/2018	1975	0.03	26089	0.46
	At the end of the year	26089	0.46	26089	0.46

\* Not in the list of Top 10 shareholders as on 01/04/2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For each of the Directors & Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ARUN KUMAR KOTHARI *				
	At the beginning of the year	102000	1.79	102000	1.79
	Date wise increase /decrease in shareholding during the year specifying the reasons for increase/decrease	–	–	–	–
	At the end of the year	102000	1.79	102000	1.79
2	PRABHAWATI DEVI KOTHARI				
	At the beginning of the year	12500	0.22	12500	0.22
	Date wise increase /decrease in shareholding during the year specifying the reasons for increase/decrease	–	–	–	–
	At the end of the year	12500	0.22	12500	0.22
3	SUBHASH CHANDRA SHAH				
	At the beginning of the year	50	0.00	50	0.00
	Date wise increase /decrease in shareholding during the year specifying the reasons for increase/decrease				
	At the end of the year	50	0.00	50	0.00
	<b>Total</b>	<b>114550</b>	<b>2.01</b>	<b>114550</b>	<b>2.01</b>

\* Includes 15,000 shares held by Mr. A. K. Kothari as Karta of Paramsukhdas Suganchand(HUF)

Note : None of the other Directors and Key Managerial Personnel held any shares of the Company either at the beginning or at the end of the year.

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2763.50	NIL	457.21	3220.71
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	2.94	NIL	NIL	2.94
<b>Total (i+ii+iii)</b>	<b>2766.44</b>	<b>NIL</b>	<b>457.21</b>	<b>3223.65</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	Nil	Nil	Nil	Nil
• Reduction	2722.20	Nil	0.58	2722.78
<b>Net Change</b>	<b>(–)2722.20</b>	<b>Nil</b>	<b>(–)0.58</b>	<b>(–)2722.78</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	44.24	Nil	456.63	500.87
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>44.24</b>	<b>Nil</b>	<b>456.63</b>	<b>500.87</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Wholetime Directors and/or Manager:

(Figures in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		
		Mr A. K. Kothari Executive Chairman	Mr. T. S. Parmar Managing Director & CEO	Total Amount
1.	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,02,63,419	1,76,15,800	2,78,79,219
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	Nil	5,39,375	5,39,375
	(c) Profits in lieu of salary u/s. 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock option	Nil	Nil	Nil
3.	Sweat equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit			
	- others, please specify	Nil	Nil	Nil
5.	Others (Company's contribution to provident fund)	10,51,200	9,90,000	20,41,200
	<b>Total (A)</b>	<b>1,13,14,619</b>	<b>1,91,45,175</b>	<b>3,04,59,794</b>
	Ceiling as per the Act	1,68,00,000	19,145,175	3,59,45,175

### B. Remuneration to other Directors:

(Figures in Rs.)

Sl. No.	Particulars of Remuneration	Independent Directors					Non-Executive Director	Total Amount
		Mr. H. Kampani	Mr. R. Singhi	Dr. A. K. Bhattacharya	Mr. A. Sarkar	Mr. S. G. Belapure	Smt. P. D. Kothari	
1	Fee for attending board/ committee meetings	2,80,000	2,00,000	1,40,000	1,60,000	40,000	1,80,000	10,00,000
2	Commission	0	0	0	0	0	0	0
3	Others, please specify	0	0	0	0	0	0	0
	<b>Total (B)</b>	<b>2,80,000</b>	<b>2,00,000</b>	<b>1,40,000</b>	<b>1,60,000</b>	<b>40,000</b>	<b>1,80,000</b>	<b>10,00,000</b>
	Total Managerial Remuneration (A + B)							<b>3,14,59,794</b>
	Overall Ceiling as per the Act – Rs.4,09,45,175/-							

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Figures in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Chief Financial Officer	Company Secretary	
1.	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	66,64,100	30,15,920	96,80,020
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	32,400	32,400	64,800
(c)	Profits in lieu of salary u/s. 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock option	Nil	Nil	Nil
3.	Sweat equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	- as % of profit			
	- others, please specify			
5.	Others (Company's contribution to provident fund)	6,01,200	2,62,080	8,63,280
	<b>Total</b>	<b>72,97,700</b>	<b>33,10,400</b>	<b>1,06,08,100</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There was no penalty, punishment or compounding of offences during the year ended 31<sup>st</sup> March, 2019.

For and on behalf of the  
Board of Directors

**A. K. Kothari**  
Executive Chairman  
DIN : 00051900

Place : Kolkata  
Date : 29<sup>th</sup> May, 2019

## ANNEXURE - 3

Information under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

**A. CONSERVATION OF ENERGY & ELECTRICITY:**

Your Company continues its policy of giving higher priority to energy conservation measures including regular review of energy generating and consumption points with effective control on utilization of energy. Some of the measures taken by the company are as under:

**i) Steps taken or impact on conservation of energy**

1. The Company has competent energy conservation methods, whereby it is monitoring maintenance of maximum power factor with automatic power factor system resulting in availing rebates from electricity board.
2. Maximum hot water collected from different places are fed to the boiler for fuel savings.
3. Dual fired (gas & diesel) system in 2 DG Sets is running to reduce energy consumption.

**ii) Steps taken by the company for utilizing alternate sources of energy**

None.

**iii) Capital investment on energy conservation equipments**

None.

**B. TECHNOLOGY ABSORPTION:****(i) Efforts made towards technology absorption**

The company always keeps track of the latest development in the field of technology and remains in continuous touch with foreign manufacturers/machine suppliers for updation of latest development in the pharmaceutical industry. Efforts are being made to adopt latest technology to upgrade its units for effective cost control and meet market demand.

**(a) Research & Development**

R&D Center of Albert David Ltd is located at 5/11, D. Gupta Lane, Kolkata-700050 and works in tandem with Company's vision and policy in today's highly dynamic Pharmaceutical industry environment, keeping both, national and global perspectives in mind. The R&D facility mainly consists of capabilities to work in areas of formulation & API development, process development, enhancing quality standards and troubleshooting issues etc. Emphasis is laid on expanding our product line in Placenta Extract based products and its possible combination with other potential therapeutic compounds which find synergy in action. Department of Scientific and Industrial Research (under the Ministry of Science and Technology) has recognized our R&D Center from 2013 onwards.

**(b) Specific areas in which R&D was carried out**

Our R&D designs and develops manufacturing processes from product development stage to finished product keeping pre-defined quality, which enables development of quality pharmaceutical products.

Miltefosine, an anti-leishmaniasis drug, is presented in capsule form under two strength. We are establishing comparable efficacy as per international requirement. ADL is in final stage of completing technical documents, which is required for regulatory acceptance. Product information like impurity studies, degradation studies and stability studies have already been undertaken. This product will be able to provide sustainable treatment option for leishmaniasis (PKDL, ML & CL) worldwide.



The other focused area of research and development remains human Placenta Extract research and its combination products. Application has been filed to incorporate the research findings on the bio-constituents present in Placentrex for revising the label claim to make it inclusive of these findings. This will help strengthen and expand the marketing efforts in taking it to medical professionals in more informed and evidence based manner. The collaborative research work with National Research Institutes and Universities of repute is in progress to further expand its therapeutic principles and application.

R&D works for analytical method development and method validation are based on approved project plans. Review of formulations and processes for existing formulations are undertaken for possible cost saving measures, whenever possible. Besides process trouble shooting, process improvements, quality improvements, reduction in quality complaints, improving product shelf life are routine work under our R&D.

**(ii) Benefits derived as a result of R&D**

- Improvement of product quality & enhancement of product life.
- Robust processes with productivity improvement.
- Expansion of product range.
- Improved Regulatory Compliance and Standards.
- Submission of product dossiers for export registration.

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** Not Applicable.

**(iv) Expenditure incurred on Research & Development**

(Rs. in Lakhs)

No. Sl.	Particulars	Financial Year 2018-2019	Financial Year 2017-2018
1.	Capital Expenditure	—	—
2.	Revenue Expenditure	257.57	270.14
	<b>Total</b>	<b>257.57</b>	<b>270.14</b>
3.	Total R&D Expenditure as a percent of total turnover	0.81%	0.93%

### C. FOREIGN EXCHANGE EARNINGS & OUTGO:

**(a) Activity relating to Export**

At present, the Company's products are being exported to Latin American countries, South East Asia and few African countries. The business continuous to grow and the potential to grow is enormous. We have initiated increased regulatory activities to register more products in existing markets. Efforts are also on to collaborate with interested established partners to hasten our export business in South East Asia, CIS countries etc.

**(b) Total foreign exchange used and earned**

Earning in foreign currency – Rs.2497.82 Lakhs (Previous Year Rs.2570.95 Lakhs).

Outgo in foreign currency – Rs.2827.62 Lakhs (Previous Year Rs.2078.51 Lakhs).

For and on behalf of the  
Board of Directors

**A. K. Kothari**  
Executive Chairman  
DIN : 00051900

Place : Kolkata  
Date : 29<sup>th</sup> May, 2019

## ANNEXURE - 4

## Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

## 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs:

- Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Promotion of healthcare and sanitation including contribution to Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.
- Setting up homes and hostels for women and orphans, old age homes, day care center and other facilities for senior citizens.
- Rural and slum area development projects.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for Socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other Backward classes, minorities and women.
- Weblink: [http://albertdavidindia.com/investor/sh\\_information/policy/Corporate%20Social%20Responsibility%20Policy.pdf](http://albertdavidindia.com/investor/sh_information/policy/Corporate%20Social%20Responsibility%20Policy.pdf)

## 2. Composition of the CSR Committee:

Sl. No.	Name	Designation
1	Mr. A. K. Kothari	Chairman (Executive Chairman)
2	Mr. T. S. Parmar	Member (Managing Director & CEO)
3	Dr. A. K. Bhattacharya*	Member (Independent Director)
4	Mr. Arindam Sarkar**	Member (Independent Director)
5	Mr. Shirish G. Belapure**	Member (Additional Director– Non-executive, Independent)

\* Ceased to be member with effect from the close of business hours of 31<sup>st</sup> March, 2019.

\*\* Appointed as member of the CSR Committee with effect from 14<sup>th</sup> February, 2019.

## 3. Average net profit of the Company for last three financial years:

Average Net Profit for the preceding three Financial Years: Rs.2012.84 Lakhs as per Section 135(5) of the Companies Act, 2013.

4. (a) Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): **Rs.40.26 Lakhs**

(b) CSR Expenditure unspent in previous year carried forward: **Rs.8.11 Lakhs**

**Total : Rs.48.37 Lakhs**

## 5. Details of CSR spend during the financial year:

- Total amount spent during the financial year: Rs.38.55 Lakhs
- Amount unspent, if any: Rs.9.82 Lakhs
- Manner in which the amount spent during the financial year is detailed below.

(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or program wise (Rs.)	(6) Amount spent on the projects or programs (Rs.)	(7) Cumulative expenditure upto to the reporting period (Rs.)	(8) Amount spent: Direct/through implementing agency
1.	Adoption of 20 One Teacher Schools in Tribal Areas	Promotion of education and welfare of backward classes	Various parts of India	4,00,000	4,00,000	4,00,000	Through Implementing Agency - Friends of Tribal Society
2.	Installation of cold water booth at Sinthi Ramakrishna Sangha Vidyamandir for Girls	Making available safe drinking water	Near Company's factory at Kolkata (WB)	1,89,112	1,89,112	1,89,112	Direct
3.	Setting up of smart class room equipped with computer and projector at Nabajatak Vidyabhaban for Girls	Promotion of education	Near Company's factory at Kolkata (WB)	1,46,320	1,46,320	1,46,320	Direct
4.	Contribution to Prime Minister's National Relief Fund	Schedule VII(1)(viii) of the Companies Act, 2013	—	1,00,000	1,00,000	1,00,000	Direct
5.	Promoting healthcare by upgradation and modernization of Operation Theatre at Kothari Medical Centre, Kolkata, for the benefit of society	Promotion of healthcare	Kolkata (WB)	1,00,00,000	30,19,500	60,46,250	Through Implementing Agency – Kothari Group CSR Trust
<b>TOTAL</b>				<b>—</b>	<b>38,54,932</b>	<b>—</b>	<b>—</b>

- 6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:** In terms of the Company's policy on CSR, the CSR obligation is to be carried out directly by the Company in its local area of operations. The CSR obligation can be carried out by the Company directly or through a Trust. For the purpose of carrying out CSR activities, the Company was in touch with prospective beneficiaries for selection and implementation of projects, which could not be materialized by 31<sup>st</sup> March, 2019 and hence it was decided to carry forward the unspent amount of Rs.9.82 Lakhs to the next financial year for spending.
- 7.** We hereby confirm that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the  
Corporate Social Responsibility Committee

Place : Kolkata	<b>A. K. Kothari</b> (DIN : 00051900)	<b>T. S. Parmar</b> (DIN : 05118311)	<b>A. Sarkar</b> (DIN : 06938957)	<b>S. G. Belapure</b> (DIN: 02219458)
Date: 29 <sup>th</sup> May, 2019	Chairman of the Committee	Member	Member	Member

## ANNEXURE - 5

## NOMINATION AND REMUNERATION POLICY

## I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and the Rules framed thereunder (as amended from time to time) (the “**Act**”) and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (the “**Listing Regulations**”), the Board of Directors of Albert David Ltd. (“**the Company**”) has constituted the Nomination and Remuneration Committee and framed the Nomination and Remuneration Policy.

## II. OBJECTIVE

This Nomination and Remuneration Policy (the “**Policy**”) has been formulated by the Nomination and Remuneration Committee (the “**Committee**”) and approved by the Board of Directors of the Company (the “**Board**”) in compliance with the requirements of the Act and the Listing Regulations.

The key objectives of the Policy are as follows :

- a. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board, remuneration payable to the Directors, Key Managerial Personnel and other senior employees.
- b. To formulate criteria for evaluation of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- d. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- e. To devise a Policy on Board Diversity.
- f. To develop a succession plan for the Board and to regularly review the plan.
- g. To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of performance evaluation of Independent Directors.

## III. DEFINITIONS

- a. “**Act**” means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- b. “**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- c. “**Board**” means the Board of Directors of the Company.
- d. “**Directors**” shall mean Directors of the Company.
- e. “**Key Managerial Personnel**” or “**KMP**” means :

in relation to a Company as defined sub-section 51 of Section 2 of the Companies Act, 2013, means and includes :

- (i) the Chief Executive Officer or the Managing Director or the manager;
- (ii) the Whole-Time Director;
- (iii) the Chief Financial Officer;
- (iv) the Company Secretary;
- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) Such other officer as may be prescribed.

- f. **“Senior Management”** shall mean officers/personnel of the Company who are members of its core management team excluding the Board of Directors and normally this shall comprise all members of management team one level below the Managing Director & CEO / Wholetime Director / Manager. Senior Management shall include the CEO / Manager, in case they are not part of the Board and shall specifically include Company Secretary and Chief Financial Officer and any other officials as may be decided by the Board.
- g. **“Independent Director”** means a Director referred to in Section 149(6) of the Act and Regulation 16 of the Listing Regulations.

#### IV. APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SENIOR MANAGEMENT

##### a. Appointment

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his / her appointment.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualifications, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- iii. The Company shall not recommend or appoint or continue the employment of any person as the Managing Director, Whole-time director or Manager within the meaning of the Act, who has attained the age of 70 (seventy) years. Provided that the appointment of such a person who has attained the age of 70 (seventy) years shall be made with the approval of the Shareholders by passing a special resolution, based on the explanatory statement annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 70 (seventy) years.
- iv. The Company shall take a prior approval of the Members by way of a Special Resolution for appointment / continuation of appointment of any Non-Executive Director who has attained the age of 75 (Seventy Five) years.

##### b. Term / Tenure

##### i. Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding 5 (five) years at a time. No re- appointment shall be made earlier than 1 (one) year before the expiry of term.

##### ii. Independent Director

- a) An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment only after expiry of 3 (three) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- c) At the time of appointment of an Independent Director(s) it should be ensured that the number of Boards on which such Director serves as an Independent Director is restricted to 7 (seven) listed companies. In case such Director is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act or the Listing Regulations, then such Director shall act as Independent Director of maximum three listed companies.

**c. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management on yearly basis. The evaluation of performance of the Board, its Committees and Individual Directors will be carried out by the Board and by the Committee or by an independent external agency, if the Committee / Board decide so. The Board / Committee shall also review implementation and compliance of outcome of evaluation. Evaluation of Independent Directors shall be done by the entire Board of Directors provided that in the above evaluation, the Directors who are subject to evaluation shall not participate.

Performance evaluation shall include the following broad criteria:

- Accomplishment of the organization's mission, objectives and strategic results for which the Executive Director is responsible.
- Ensuring that the board is well informed on issues affecting the continuing relevance of the mission and the performance and reputation of the Company.
- Adequacy of processes which monitor business performance, Board member interaction with management, adequacy of Board knowledge, adequacy of business strategy, Board being informed, evaluation process for executives and Directors.
- Appropriateness of balance and mix of skills, size of Board, contribution of individual Board members, adequacy of performance feedback to Board members, adequacy of procedures dealing with inadequate performance by a Board member.
- Board's effectiveness in use of time, whether Board allowed sufficient opportunity to adequately assess management performance, Board's ability to keep abreast of developments in the wider environment which may affect adequacy of meeting, frequency and duration.
- Working relationship between Executive Chairman and Managing Director & CEO, segregation of duties between the Board and management, ability of Directors to express views to each other and to management in a constructive manner, adequacy of Board discussions and management of divergent views.

The evaluation will take place annually as per the requirement of the Act and the Listing Regulations. The Board may undertake more frequent evaluations, if warranted. The performance evaluation will typically address activities, events and accomplishments that took place during the most recently completed fiscal year.

**d. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable law, rules and regulations, the Committee may recommend, to the Board with reasons to be recorded in writing, removal of a Director, KMP or Senior Management, subject to the provisions and compliance of the said Act, such other applicable law, rules and regulations.

**e. Retirement**

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**f. Resignation**

Resignation shall be governed as per the terms and conditions of appointment of such Director / KMP or Senior management person.

**V. POLICY RELATING TO THE REMUNERATION**

The remuneration / compensation / commission etc. to the Managing Director & CEO / Whole-time Director/ Executive Director, KMPs and Senior Management will be determined by the Committee and recommended to the Board for its approval.

The remuneration and commission to be paid to the Managing Director & CEO and / or Whole-time Director /Executive Director shall be in accordance with the provisions of the Act and the Listing Regulations and any other laws, as may be applicable. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board for its approval.

The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company wherever necessary.

**a. Remuneration to Managing Director/ Wholetime / Executive Director, KMP and Senior Management**

**i. Fixed pay :**

The Managing Director & CEO / Whole-time Director / Executive Chairman, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including but not limited to, employer's contribution to Provident Fund (PF), Superannuation Fund, Pension Scheme, Medical expenses, Club fees, Leave Travel Allowance, etc. shall be recommended by the Committee and approved by the Board; Shareholders approval, wherever required, shall be taken.

**ii. Minimum Remuneration**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director / Whole-time / Executive Director in accordance with the provisions of Schedule V to the Act and obtain such approvals as may be necessary.

**iii. Provisions for excess remuneration**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**b. Remuneration to Non-Executive Director / Independent Director:**

**i. Remuneration**

The remuneration / commission shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force.

**ii. Sitting Fees**

The Non-Executive Directors and Independent Directors shall receive remuneration by way of fees for attending meetings of the Board or Committees thereof at such rate as may be determined by the Board from time to time subject to maximum amount as provided in the Act. They shall be entitled to reimbursement of expenses for attending meetings of the Company.

**iii. Commission**

Commission may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

**iv. Stock Options**

An Independent Director shall not be entitled to any stock option of the Company.

## **VI. MEMBERSHIP**

- a. The Committee shall comprise of at least (3) three non-executive Directors, out of which majority shall be Independent Directors.
- b. The Board shall reconstitute the Committee as and when required and to comply with the provisions of the Act and the Listing Regulations.



- c. The quorum for the Meeting of the Committee shall be two members or one third of the total strength of the Committee, whichever is higher (including at least one independent director in attendance).
- d. Membership of the Committee shall be disclosed in the Annual Report.
- e. Term of the Committee shall be continued unless terminated by the Board of Directors.

## **VII. CHAIRPERSON**

- a. The Chairperson of the Committee shall be an Independent Director.
- b. The Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- d. Chairman of the Nomination and Remuneration Committee meeting can be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## **VIII. FREQUENCY OF MEETINGS**

The Nomination and Remuneration Committee shall meet at least once a year.

## **IX. COMMITTEE MEMBERS' INTERESTS**

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, as it considers appropriate, to be present at meetings of the Committee.

## **X. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

## **XI. VOTING**

- a. Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **XII. DUTIES OF THE COMMITTEE**

### **a. Duties with respect to Nomination**

- i. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- ii. Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment in accordance with the guidelines provided under the Act;
- iii. Identifying and recommending Directors who are to be put forward for retirement by rotation;
- iv. Determining the appropriate size, diversity and composition of the Board;
- v. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- vi. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- vii. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

- viii. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of the Managing Director / Whole Time Director / Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- ix. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- x. Recommend any necessary changes to the Board; and
- xi. Considering any other matters, as may be requested by the Board.

**b. Duties with respect to Remuneration**

- i. To consider and determine the remuneration based on performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board, and such other factors as the Committee shall deem appropriate. The Committee shall fix all elements of the remuneration of the Members of the Board;
- ii. To recommend and approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company;
- iii. To delegate any of its powers to one or more of its Members of the Committee;
- iv. Matters relating to professional indemnity and liability insurance;
- v. To consider any other matters as may be requested by the Board.

### **XIII. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings of the Committee must be minuted and signed by the Chairman of meeting or of the subsequent meeting of the Committee. Minutes of the Committee meetings will be tabled at subsequent Board and Committee meeting.

### **XIV. DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

### **XV. AMENDMENT**

The Nomination and Remuneration Committee and Board will review and may amend / modify this Policy from time to time. Any subsequent amendment to the Act or the Listing Regulations or any other law in this regard shall automatically apply to this Policy.

Web link: [http://albertdavidindia.com/investor/sh\\_information/policy/Nomination%20 and %20Remuneration%20Policy%20 \(w.e.f.%20April%2019\).pdf](http://albertdavidindia.com/investor/sh_information/policy/Nomination%20and%20Remuneration%20Policy%20(w.e.f.%20April%2019).pdf)

## ANNEXURE - 6

**Statement of particulars as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****i) Ratio of remuneration of each director to median remuneration of the employees of the Company for the financial year :**

Sl. No.	Name of the Director	Designation	Ratio of the remuneration to the median remuneration of the employees
1	Mr. Arun Kumar Kothari	Executive Chairman	22.29
2	Mr. Tarminder Singh Parmar	Managing Director & CEO	40.31
3	Mrs. Prabhawati Devi Kothari	Non-Executive Director	0.38
4	Mr. Rajiv Singhi	Independent Director	0.42
5	Mr. Hemal Kampani	Independent Director	0.59
6	Mr. Arindam Sarkar	Independent Director	0.34
7	Mr. Shirish G. Belapure*	Additional Director (Non-Executive, Independent)	0.08
8	Dr. Amal Kumar Bhattacharya**	Independent Director	0.29

Note : Mrs. P. D. Kothari, Mr. R. Singhi, Mr. H. Kampani, Mr. A. Sarkar, Mr. S. G. Belapure & Dr. A. K. Bhattacharya, received only sitting fees for attending Board and Committee meetings.

\* Appointed as Additional Director of the Company (Non-Executive, Independent) effective 14<sup>th</sup> February, 2019.

\*\* Ceased to be Director with effect from close of business hours of 31<sup>st</sup> March, 2019.

**ii) Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager in the financial year :**

Sl. No.	Name of the Director	Designation	Percentage increase in remuneration
1	Mr. Arun Kumar Kothari	Executive Chairman	11.64%
2	Mr. Tarminder Singh Parmar	Managing Director & CEO	14.61%
3	Smt. Prabhawati Devi Kothari	Non-Executive Director	28.57%
4	Mr. Rajiv Singhi	Independent Director	53.85%
5	Mr. Hemal Kampani	Independent Director	33.33%
6	Mr. Arindam Sarkar	Independent Director	23.08%
7	Mr. Shirish G. Belapure	Additional Director (Non-Executive, Independent)	N.A.
8	Dr. Amal Kumar Bhattacharya	Independent Director	133.33%
9	Mr. Subhash Chandra Shah	Vice President (Finance) & CFO	8.81%
10	Mr. Indrajit Dhar	Associate Vice President (Accounts & Taxation)-cum-Company Secretary	10.23%

**iii) The percentage of increase in the median remuneration of employees in the financial year :**

13.25%

**iv) The number of permanent employees on the rolls of Company :**

There were 1503 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2019.

**v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average salary increase of non-managerial employees is 8.72% in the financial year 2018-2019 and average salary increase of managerial employees is 12.36%. There is no exceptional circumstance in increase in managerial remuneration.

**vi) Affirmation that the remuneration is as per the remuneration policy of the Company :**

Remuneration paid during the year ended 31<sup>st</sup> March, 2019 is as per the remuneration policy of the Company.

For and on behalf of the  
Board of Directors

**A. K. Kothari**  
Executive Chairman  
DIN : 00051900

Place : Kolkata  
Date : 29<sup>th</sup> May, 2019

## Annexure - 7

**Statement showing Particulars of top ten employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) :**

Sl. No.	Name	Designation/Nature of employment	Remuneration received during the year (Rs.)	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held before joining the Company
1	Mr. T. S. Parmar	Managing Director & CEO	1,91,45,175	B.Sc., MBA	32	54	24/01/2017	President, Jubilant Life Sciences Ltd.
2	Mr. A. K. Kothari	Executive Chairman	1,13,14,619	B.Com	40	67	01/07/2008	None
3	Mr. S. C. Shah	Vice President (Finance) & CFO	72,97,700	B.Com(Hons), ACA, ACS	40	63	02/11/1992	Registrar, Birla Jute & Industries Ltd.
4	Mr. M. K. Rathi	Vice President (Works-cum-Factory Manager) - Ghaziabad	66,04,100	M. Pharm	39	62	03/10/2006	GM – Formulations IPCA Laboratories Ltd.
5	Mr. P. K. Jain	Vice President (Works), Kolkata	57,81,900	M. Pharm	40	64	29/07/1998	DGM, J K Drugs & Pharmaceuticals Ltd.
6	Dr. D. P. Ghosh	Corporate Head-Technical & Scientific Development	57,39,867	M.Sc., Ph.D	47	75	14/03/1975	Works Manager Gluconate Ltd.
7	Mr. T. Neogi	Associate Vice President (Quality Assurance)	52,57,200	M. Pharm	34	57	06/05/2003	DGM – Validation Nicholas Piramal India Ltd.
8	Dr. G. P. Srivastava	Vice President (Technical), Kolkata	52,29,067	M.Sc., Ph.D	42	67	07/04/2003	Executive Director, Dolphin Laboratories Ltd.
9	Mr. S. R. Kulkarni	Associate Vice President - Outsourcing	49,11,967	B.Sc.	43	67	21/12/2011	National Manager Regulatory Affairs & Contract Manufacturing, Baxter India Pvt. Ltd.
10	Mr. D. Chitlangia	Associate Vice President (Commercial), Ghaziabad	44,30,700	B.Com., FCA	38	62	01/10/1980	None

**Notes :**

- The persons named above at Sl. No.1 & 2 are on contractual basis.
- The above remuneration includes Salary, H.R.A., Ex-gratia, Company's contribution to Provident Fund, Leave Encashment availed and taxable allowances & perquisites.
- None of the above employees are related to any of the Directors of the Company except Mr. A. K. Kothari, who is husband of Mrs. Prabhawati Devi Kothari, Director of the Company.
- Out of the above named persons, only Mr. A. K. Kothari and Mr. S.C. Shah holds 102,000(1.79%) and 50(0.00%) equity shares of the Company, respectively.
- There was no employee in the Company, whether employed throughout or part of the financial year 2018-19, who has drawn remuneration in excess of that drawn by the Managing Director & CEO or Wholetime Director and holds along with spouse and dependent children not less than two percent of the equity share capital of the Company; or was in receipt of remuneration which, in the aggregate, was not less than one crore and two lakh rupees; or if employed for a part of the financial year 2018-19, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month.
- Employee at Sl. No. 4, 6, 8 & 9 has retired from the services of the Company effective April 4, 2019, May 31, 2019, November 30, 2018 & May 31, 2019, respectively.

For and on behalf of the  
Board of Directors

**A. K. Kothari**  
Executive Chairman  
DIN : 00051900

Place : Kolkata  
Date : 29th May, 2019

**ALBERT DAVID LIMITED**

(CIN : L51109WB1938PLC009490)

Registered Office : D - Block, 3rd Floor, Gillander House, Netaji Subhas Road, Kolkata - 700001

Tel: 033-2262-8436/8456/8492, 2230-2330, Fax: 033-2262-8439

Email : adidavid@dataone.in, Website : www.albertdavidindia.com

## Management Discussion and Analysis

### FINANCIAL PERFORMANCE

The details of the financial performance of the company are appearing in the Balance Sheet, Statement of Profit & Loss along with other notes of financial statements. Salient features are highlighted below :

(Rs. in Lakhs)

Continuing Operations	2018-19	2017-18
Revenue from Operations	31689.10	28899.33
Other Income	678.54	890.83
Earning before interest, depreciation, tax & amortization	3644.66	3063.37
Gross Profit	3582.92	2977.49
Profit before exceptional item & tax	2885.12	2154.39
Exceptional Item	–	–
Profit after tax from Continuing Operations	1772.43	1348.22
<b>Discontinued Operations</b>		
Profit/(Loss) after tax from Discontinued Operations	891.56	(364.14)

### INDUSTRY STRUCTURE & DEVELOPMENTS

The Indian Pharmaceutical Sector is a heterogeneous mixture of both organized and unorganized entities. They range from large to medium and small units under multinational or domestic banner. Dealing on drugs constitutes two major inter-linked segments viz. bulk drugs and formulations. The domestic formulation market can be further classified into retail and institutional drug market. Formulation market in India, as elsewhere in the world, is dominated by large companies. There has been a rapid growth in production of bulk drugs and currently India is the third largest drug producer after China and Italy.

The Indian pharmaceutical industry is expected to expand at a CAGR of 22.40 per cent between 2015-2020 to reach USD 55 billion. India's pharmaceutical exports stood at USD 17.27 billion in the financial year 2018 and have reached USD 15.52 billion in financial year 2019 (upto January, 2019). Pharmaceutical exports include bulk drugs intermediates, drug formulations, biological, surgical and herbal products.

India's domestic pharmaceutical turnover reached Rs.1,29,015 Cr. (USD 18.12 billion) in 2018 from Rs.1,16,389 Cr. (USD 17.87 billion) in 2017.

### OUTLOOK

The growth in domestic market will be boosted by rise in consumer's spending, growing medical awareness, rapid urbanization and improvement in lifestyle pattern. Considering increasing healthcare insurance read with vertical shift in demand curve of drugs for treatment of cardiovascular, anti-diabetic, anti-depressants and anti-cancers, the outlook of Indian Pharmaceutical Industry seems positive.

### OPPORTUNITIES AND THREATS

The "Pharma Vision 2020" by the Government's department of pharmaceuticals aims at making India a major hub for end to end drug discovery. The sector has received cumulative FDI worth USD 15.93 billion between

April, 2000 and December, 2018. Under Budget 2019-2020, allocation to the Ministry of Health and Family Welfare increased by 13.1 percent to Rs.61,398 Cr. and the Indian Pharmaceutical Sector is expected to register better growth in the near future on account of growing domestic as well as export demand and continued growth in sale of generic products.

Indian Pharmaceutical Industry remains highly fragmented and highly competitive with about 300 large manufacturing units and about 18000 small units spread across the length and breadth of the country. The Indian pharma Companies are affected by price regulation by the NPPA (National Pharmaceutical Pricing Authority) which decides the various pricing parameters, sets prices of different drugs which often contribute to lower profitability for the companies.

### **RISK & CONCERN**

The Indian pharmaceutical industry faces plethora of Laws right from manufacture of drugs to marketing process. Further strengthening in applicable regulations may adversely impact the operations and business growth. Price control by National Pharmaceutical Pricing Authority and strict compliances under various other regulations including occasional ban on certain products from time to time by the Indian Government are areas of concern.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has set up internal control procedures commensurate with its size and nature of the business. These control mechanisms ensure optimum use and protection of the resources and compliances with the policies, procedure and statutes. The internal control system provides for all defined policies, guidelines and authorizations and approval procedures. Its functioning are subject to test the adequacy and effectiveness of the internal control laid down by management and to suggest improvement.

### **HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS**

The company believes that the quality of its employees is the key to its success in the long run. As such the company is committed to provide necessary human resource development and training opportunities to equip them with skills enabling them to prevail technological advancements. Industrial relations during the year continued to be cordial and the company is committed to maintain good industrial relations through effective communication, meetings and negotiation.

The total strength of the employees of the company as on 31<sup>st</sup> March, 2019 stood at 1503.

### **SEGMENT-WISE PERFORMANCE**

Performance of the Company is not segmentable in business or geographical terms for reason referred to in Note No. 3.17 and 65 to the financial statement.

During the year under review, your Company achieved Net Sales of Rs.31,270.41 Lakhs and recorded a Gross Profit of Rs.3,582.92 Lakhs compared to previous year's Net Sales of Rs.28,710.87 Lakhs and Gross Profit of Rs.2,977.49 Lakhs.

### **CHANGE IN KEY FINANCIAL RATIOS**

None of the key financial ratios underwent material change (i.e. 25% or above) during the year vis-à-vis previous year. Return on Networth for the financial year 2018-19 is 9.80% vis-à-vis. 6.47% for the previous year and the change is attributable to increase in sales during the year over the previous year. Calculation of return on net worth for FY 2018-19 excludes Rs.934.76 lakhs (net of tax) towards profit from disposal of assets of discontinued operations.

### **CAUTIONARY STATEMENT**

The Management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement with crystallization of unforeseen predicaments in the sphere of Government policies, local, political and economic development, risk inherent to the Company and other factors.

For and on behalf of the  
Board of Directors

**A.K. Kothari**  
Executive Chairman  
DIN : 00051900

Place : Kolkata  
Date : 29<sup>th</sup> May, 2019



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## Corporate Governance

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Albert David Ltd. has always attached great importance to good and responsible corporate governance based on the philosophy that the Company belongs to all the stakeholders and its corporate objective is to maximize their value. Efforts are made to keep the level of transparency, trust and confidence of stakeholders in the way the Company is managed and run in terms of best practices. The team at Albert David operates as a trustee on behalf of every stakeholder. It strives to be a wealth creator to meet stakeholders' expectations with endeavor to be a responsible corporate citizen in its societal commitments. In order to achieve its goals, the Company utilizes its resources with accountability and professionalism to cater to exigencies of the customers, deliver in terms of their expectations, meet the commitments with vendors, partners, employees, government and the community. The Company looks forward to the day when the flower of its present governance culture blooms spreading its fragrance across the entire corporate world, so as to fasten management, employees, bankers, stakeholders and all other concerned in a bondage of corporate ethics supported by mutually beneficial arrangement.

### 2. BOARD OF DIRECTORS (BOARD)

#### Composition

The composition of the Board of Directors is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and Section 149 of the Companies Act, 2013. As at 31<sup>st</sup> March, 2019, the Board consisted of seven members with optimum combination of Independent, Executive and Non-Executive Directors including presence of a Woman Director. More than fifty percent of the Directors comprised of Non-Executive Independent Directors.

**The composition and category of the Board are as follows**

Sl. No.	Name	Designation	Category
1	Mr. Arun Kumar Kothari	Executive Chairman	Executive Director (Promoter)
2	Mr. Tarminder Singh Parmar	Managing Director & CEO	Executive Director
3	Mrs. Prabhawati Devi Kothari	Director	Non-Executive, Non-Independent (Promoter)
4	Mr. Rajiv Singhi	Director	Non-Executive, Independent
5	Mr. Hemal Kampani	Director	Non-Executive, Independent
6	Mr. Arindam Sarkar	Director	Non-Executive, Independent
7	Mr. Shirish G. Belapure*	Additional Director	Non-Executive, Independent
8	Dr. Amal Kumar Bhattacharya**	Director	Non-Executive, Independent

\* Appointed with effect from 14<sup>th</sup> February, 2019

\*\* Ceased to be director with effect from close of business hours of 31<sup>st</sup> March, 2019

## Board Meetings & Procedure

The functioning of the executive management is under the overall superintendence of the Board of Directors, the latter providing strategic direction to cater to corporate objectives and practices of governance by way of formulating/ approving policies and procedures and ensuring compliances thereof in periodical meetings of Board of Directors.

The Agenda of the meetings are circulated well in advance to the Board members backed by comprehensive background information to enable them to take decisions. In addition to the information required under the Listing Regulations, the Board is also kept informed of major events/items and its approval is taken wherever necessary.

## Number and dates of Board Meetings held during the year

During the financial year ended 31<sup>st</sup> March, 2019 four Board Meetings were held, dates and attendances are listed below :

Sl. No.	Date of Board Meeting	Total strength of the Board	No. of Directors present
1.	May 29, 2018	7	6
2.	August 10, 2018	7	7
3.	November 14, 2018	7	7
4.	February 14, 2019	8	8

The maximum time gap between any two meetings was less than 120 days as stipulated under Regulation 17 of the SEBI Listing Regulations.

## Other particulars pertaining to each Director

Name of Director	DIN	Board meeting attended during the year	Attendance at the last AGM	Number of other Directorships and Committee Membership / Chairmanship as on 31 <sup>st</sup> March, 2019		
				Other Directorship <sup>#</sup>	Committee Membership <sup>##</sup>	Committee Chairmanship
Mr. A. K. Kothari	00051900	4	Yes	4	4	-
Mr. T. S. Parmar	05118311	4	Yes	-	-	-
Smt. P. D. Kothari	00051860	4	Yes	2	1	-
Mr. R. Singhi	00071285	4	Yes	1	1	-
Mr. H. Kampani	00057715	4	Yes	2	1	-
Mr. A. Sarkar	06938957	3	Yes	2	-	-
Mr. S. G. Belapure*	02219458	1	N.A.	-	-	-
Dr. A. K. Bhattacharya**	00103798	4	Yes	-	-	-

\* Appointed with effect from 14<sup>th</sup> February, 2019

\*\* Ceased to be director with effect from close of business hours of 31<sup>st</sup> March, 2019

# Excluding Pvt. Ltd. Companies and Companies under Section 8 of the Companies Act, 2013.

## Includes only membership of Audit Committee and Stakeholders' Relationship / Grievance Committee as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

### Name of other listed entities where Directors of the Company holds Directorship and category of such Directorship

Name of the Director	Name of other listed entity	Category of Directorship
Mr. A. K. Kothari	Gillanders Arbuthnot & Company Ltd.	Non-executive Chairman
	Pilani Investment and Industries Corporation Ltd.	Non-executive Independent Director
Mr. T. S. Parmar	–	–
Smt. P. D. Kothari	Gillanders Arbuthnot & Company Ltd.	Non-executive, Non-Independent Director
Mr. R. Singhi	New India Retailing & Investment Ltd.	Non-executive Independent Director
Mr. H. Kampani	VCK Capital Market Services Ltd.	Non-executive Chairman
Mr. A. Sarkar	Saregama India Ltd.	Non-executive Independent Director
Mr. S. G. Belapure	–	–
Dr. A. K. Bhattacharya	–	–

None of the Wholtime Directors are acting as Independent Director in more than three listed companies. Besides, Independent Directors have been familiarized with their roles, rights and responsibilities through programmes undertaken in this regard. Details of familiarization programmes imparted to Independent Directors have been disclosed on the Company's website at [http://albertdavidindia.com/investor/sh\\_information/policy/familiarisation-program.pdf](http://albertdavidindia.com/investor/sh_information/policy/familiarisation-program.pdf) in adherence to Regulation 46(2)(i) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

None of the Directors hold directorship in more than 20 companies including 10 public companies and private companies which are subsidiary or holding of public companies or is a Member of more than 10 Board-level Committees or Chairman of more than 5 such Committees as specified under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, across all the companies in which he/she is a Director.

None of the non-Wholtime Directors is acting as Independent Director in more than seven listed companies.

None of the Directors are related inter-se except for Mr. A. K. Kothari and Mrs. P. D. Kothari. Mrs. P. D. Kothari is wife of Mr. A. K. Kothari.

Mrs. P. D. Kothari, Non-Executive Director, holds 12,500 equity shares of the Company. No other non-executive director holds shares of the Company. The Company has not issued any convertible instruments.

### Skills, expertise and competence of the Board

The Directors of Albert David Ltd. comprises of qualified members who bring in the required skills, experience, competence and expertise, effectively contributing to the Board and Committee proceedings. The Board members are committed to ensuring that the Board is in compliance with the highest standards of corporate governance.

The individual members of Board of Directors have been identified with the key skills, expertise, competence and attributes in various functional spheres which are required in the context of the Company's business including effective functioning of the Company under overall superintendence of relevant collective body.

Sl. No.	Nature of key skills, expertise, and competence and attributes	Whether such key skills, expertise, and competence and attributes are available with the ADL Board
1.	Domain expertise in Pharmaceuticals and drugs	Yes
2.	Sound knowledge and expertise in Financial matters	Yes
3.	Expertise in Legal, Governance and Risk Management	Yes
4.	Business Development, Sales and Marketing	Yes
5.	Leadership qualities and Management expertise	Yes

## Information Placed before Board of Directors

The Company has complied with Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with regulation 17(7) of the said Regulations with regard to placing of information before the Board of Directors.

## Meeting of Independent Directors

During the financial year ended 31<sup>st</sup> March, 2019, one meeting of the Independent Directors was held on 14<sup>th</sup> February, 2019 which was attended by Mr. Rajiv Singhi, Mr. Hemal Kampani, Mr. Arindam Sarkar, Dr. A. K. Bhattacharya and Mr. S. G. Belapure, inter-alia to:

- Evaluate the performance of the non-independent directors and the Board of Directors as a whole;
- Review the performance of the Chairperson of the company, taking into account the views of executive and non-executive directors;
- Evaluate the quality, content and timeliness of flow of information between the management and the Board as are necessary for the Board to perform its duties effectively and reasonably.

The evaluation of performance was done, inter-alia, in due spirit of the "Guidance Note on Board Evaluation" issued by the SEBI vide its Circular dated 5th January, 2017.

The Board of Directors of Albert David Ltd. is of the opinion that the Independent Directors on the Board fulfill the conditions specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and are independent of the executive management of the Company.

## 3. COMMITTEES OF THE BOARD

The Board Committees have been constituted to review/deal with specific areas and activities, the relevant Committee is meant for. They are set up under the formal approval of the Board to carry out clearly defined roles including those mandated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for performance by members of the Committees as part of good governance practice. The minutes of the meetings of all the Committees are placed before the Board for review. The Company Secretary acts as Secretary of all the Committees of the Board formed under statutory obligation or otherwise.

### A) Audit Committee

#### Composition

As on 31st March, 2019, the Audit Committee comprised of 4 Directors, all endowed with years of experience in the field of operations, finance and accounts, as under :

Sl. No.	Name	Category	Designation
1	Mr. R. Singhi	Non-Executive Independent Director	Chairman
2	Mr. H. Kampani	Non-Executive Independent Director	Member
3	Mr. A. K. Kothari	Executive Chairman	Member
4	Mr. S. G. Belapure*	Additional Director (Non-Executive, Independent)	Member
5	Mr. A. Sarkar**	Non-Executive Independent Director	Member

\* Inducted with effect from 14<sup>th</sup> February, 2019.

\*\* Ceased to be member with effect from 14<sup>th</sup> February, 2019.

The Chairman of the Audit Committee is an Independent Director. Executives from Finance Department, Secretarial Department and Representatives of the Statutory Auditors / Internal Auditors / Cost Auditor are invited to attend the Audit Committee Meeting wherein their Reports are discussed.

The Audit Committee's composition and its terms of reference meet the requirements inter-alia, of Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Audit Committee is empowered, pursuant to its terms of reference *inter-alia*, to :

- investigate any activity within its terms of reference
- seek information from any employee
- obtain outside legal or other professional advice
- secure attendance of outsiders with relevant expertise, if it considers necessary
- have full access to information contained in the records of the Company

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, *inter-alia*, performs the following functions:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment, remuneration, terms of appointment and, if required, the replacement or removal of the auditors and fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of related party transactions.
  - g. Qualifications in the draft audit report.
5. Examination of financial statements and the Auditors' report thereon.
6. Approval or any subsequent modification of transactions with related parties.
7. Scrutiny of inter-corporate loans and investments.
8. Valuation of undertaking or assets of the Company, wherever necessary.
9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
11. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up there on.

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Evaluation of internal financial controls and risk management systems.
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
18. To look into the reasons for substantial defaults, if any, in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors, if any.
19. To review the functioning of the Whistle Blower mechanism.
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### Meetings and Attendance during the year

During the financial year ended 31<sup>st</sup> March, 2019, the Audit Committee met four times i.e. on 29<sup>th</sup> May, 2018, 10<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019.

The gap between any two meetings did not exceed 120 days in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Name of the Member	No. of meetings held	No. of meetings attended
Mr. R. Singhi	4	4
Mr. A. K. Kothari	4	4
Mr. H. Kampani	4	4
Mr. S. G. Belapure*	-	N.A.
Mr. A. Sarkar**	4	3

\* Inducted with effect from 14<sup>th</sup> February, 2019

\*\* Ceased to be member of Audit Committee with effect from 14<sup>th</sup> February, 2019

### B) Stakeholders Relationship/Grievance Committee

#### Composition

As on 31<sup>st</sup> March 2019, the Stakeholders Relationship/Grievance Committee comprised of :

Sl. No.	Name	Category	Designation
1	Mr. H. Kampani	Non-Executive Independent Director	Chairman
2	Mr. A. K. Kothari	Executive Chairman	Member
3	Mrs. P. D. Kothari	Non-Executive Non-Independent Director	Member
4	Mr. T. S. Parmar	Managing Director & CEO	Member

The composition and the terms of reference of the Committee meet the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013. The Committee looks into the various aspects of interest of the security holders including contemplation of remedial measures for redressal of Investor grievances, transfer/transmission of shares, non-receipt of annual report, non-receipt of dividends, issue of duplicate share certificates and other allied issues.

### Meetings and attendance during the year

During the financial year ended 31<sup>st</sup> March, 2019, the Stakeholders Relationship/Grievance Committee met four times i.e. on 29<sup>th</sup> May, 2018, 10<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019. The attendance of the members of the above Committee was as follows:

Name	No. of meetings held	No. of meetings attended
Mr. H. Kampani	4	4
Mr. A. K. Kothari	4	4
Mrs. P. D. Kothari	4	4
Mr. T. S. Parmar	4	4

### Status of Investor complaints for the year ended 31st March, 2019:

Nature of complaint	Opening Balance	Received	Resolved	Closing Balance
Annual Report related	0	0	0	0
Dividend related	0	1	1	0
Share certificate related	0	1	1	0

### Name, designation and address of Compliance Officer of the Company is as under:

Name and Designation	Mr. Indrajit Dhar, Associate Vice President (Accounts & Taxation)-cum-Company Secretary
Address	'D' Block, 3rd Floor, Gillander House, Netaji Subhas Road, Kolkata – 700001.
Contacts	Ph.: 033-2262-8436/8456/8492, 2230-2330 Fax: 033-2262-8439
E-mail	id@adlindia.in

## C) Corporate Social Responsibility Committee

### Composition

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in accordance with the requirements of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

As at 31<sup>st</sup> March, 2019 the Committee comprised of:

Sl. No.	Name	Category	Designation
1	Mr. A. K. Kothari	Executive Chairman	Chairman
2	Dr. A. K. Bhattacharya*	Non-Executive Independent Director	Member
3	Mr. T. S. Parmar	Managing Director & CEO	Member
4	Mr. S. G. Belapure**	Additional Director (Non-Executive, Independent)	Member
5.	Mr. A. Sarkar**	Non-Executive Independent Director	Member

\* Ceased to be member with effect from close of business hours of 31<sup>st</sup> March, 2019

\*\* Appointed as member with effect from 14<sup>th</sup> February, 2019

The composition and the terms of reference of the CSR Committee meet the requirements of Section 135 of the Companies Act, 2013 and Rules framed thereunder.

### Terms of Reference of the Committee, inter alia, include the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility ("CSR") Policy ("CSR Policy") which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;



- To recommend the amount of expenditure to be incurred on CSR activities in a financial year;
- To monitor the CSR Policy of the Company from time to time;
- To monitor implementation of the CSR projects or programs or activities undertaken by the Company;
- To look into any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company;
- To carry any other function mandated by Board, any statutory notification (including amendment or modification thereof) from time to time, as may be necessary or appropriate for performance of its duties;
- To invite any of Executives, Advisors, Representatives of Social Organizations and Auditors of the Company as it considers necessary to attend the meeting;
- To ensure that CSR activities undertaken belong to the categories prescribed under Schedule VII of the Companies Act, 2013.

### Meetings and attendance during the year

During the financial year ended 31<sup>st</sup> March, 2019, two meetings of the Corporate Social Responsibility Committee were held i.e. on 14<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019.

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

Name	No. of meetings held	No. of meetings attended
Mr. A. K. Kothari	2	2
Mr. T. S. Parmar	2	2
Dr. A. K. Bhattacharya*	2	2
Mr. S. G. Belapure**	–	N.A
Mr. A. Sarkar**	–	N.A.

\* Ceased to be member with effect from close of business hours of 31<sup>st</sup> March, 2019

\*\* Inducted as member with effect from 14<sup>th</sup> February, 2019

### D) Nomination and Remuneration Committee

#### Composition

As on 31<sup>st</sup> March 2019, the Committee comprised of:

Sl. No.	Name	Category	Designation
1	Mr. R. Singhi	Non-Executive Independent Director	Chairman
2	Mr. H. Kampani	Non-Executive Independent Director	Member
3	Mr. A. K. Kothari	Executive Chairman	Member
4	Mrs. P. D. Kothari	Non Executive-Non-Independent Director	Member
5	Mr. A. Sarkar	Non Executive Independent Director	Member

The composition and terms of reference of the Committee meet the requirement of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and provisions of section 178 of the Companies Act, 2013 and the Rules framed thereunder.

#### Terms of Reference of the Committee, inter alia, include the following:

1. To lay down criteria for determination of qualification, positive attributes and independence of Directors.
2. Recommending to the Board, the policy of remunerating directors, key management personnel and other senior management personnel.
3. To identify persons who are qualified for office of directors and senior management in accordance with the criteria laid down and evaluating every director's performance;

4. To formulate remuneration structure conducive to attract, retain and motivate directors, key management personnel and senior management personnel for discharge of quality service by way of maintaining a balance between fixed and variable pay for accomplishment of short and long term objectives.
5. To formulate criteria for evaluation of the members of the Board and provide necessary report to the Board for further evaluation of the Board and devise a policy on Board diversity;
6. To carry out any other function mandated by the Board from time to time and / or enforced by any statutory notification or modification thereon as may be applicable to the company;

#### Meetings and attendance during the year

During the financial year ended 31<sup>st</sup> March, 2019, one meeting of the Nomination and Remuneration Committee was held i.e. on 14<sup>th</sup> February, 2019.

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

Name	No. of meetings held	No. of meetings attended
Mr. R. Singhi	1	1
Mr. H. Kampani	1	1
Mr. A. K. Kothari	1	1
Mrs. P. D. Kothari	1	1
Mr. A. Sarkar	1	1

#### Remuneration policy

The success of the organization in achieving good performance and good governance practices depends on its ability to attract and retain individuals with requisite knowledge and excellence with proven track record as executive and non-executive directors.

The Nomination and Remuneration Policy of the Company is attached as Annexure - 5 to the Board's Report. The said policy is also available on the Company's website at [http://albertdavidindia.com/investor/sh\\_information/policy/Nomination%20and%20Remuneration%20Policy%20\(w.e.f.%20April%201,%202019\).pdf](http://albertdavidindia.com/investor/sh_information/policy/Nomination%20and%20Remuneration%20Policy%20(w.e.f.%20April%201,%202019).pdf)

#### Details of Remuneration to the Directors :

Details of remuneration paid to the Directors of the Company within the meaning of Section 197 of Companies Act, 2013 for the year ended 31<sup>st</sup> March, 2019 are as under :

(Figures in Rs.)

Name	Designation	Salary	Perquisites / Other Benefits	Sitting Fee	Total
Mr. A. K. Kothari	Executive Chairman	10263419	1051200	—	11314619
Mr. T. S. Parmar	Managing Director & CEO	17615800	1529375	—	19145175
Mrs. P. D. Kothari	Non-executive Director	—	—	180000	180000
Mr. R. Singhi	Independent Director	—	—	200000	200000
Mr. H. Kampani	- Do -	—	—	280000	280000
Mr. A. Sarkar	- Do -	—	—	160000	160000
Dr. A. K. Bhattacharya*	- Do -	—	—	140000	140000
Mr. S. G. Belapure**	Additional Director (Non-Executive, Independent)	—	—	40000	40000

Perquisites include only taxable perquisites.

\* Ceased to be director with effect from close of business hours of 31<sup>st</sup> March, 2019.

\*\* Appointed as Additional Director (Non-executive, Independent) with effect from 14<sup>th</sup> February, 2019.

**Disclosure pursuant to Part-II, Section-II, Third Provision, Point No. IV of Schedule-V under Section 196 and 197 of the Companies Act, 2013**

(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the Directors

(a) Mr. A. K. Kothari	Salary	Rs.87,60,000/-
	Company's Contribution to PF	Rs. 10,51,200/-
	House Rent Allowance	Rs.7,00,800/-
	Leave Encashment	Rs.7,30,000/-
	Medical reimbursement	Rs.55,819/-
	Ex-gratia	Rs.16,800/-
(b) Mr. T. S. Parmar	Salary	Rs.82,50,000/-
	Company's Contribution to PF	Rs. 9,90,000/-
	Rent for furnished accommodation	Rs.4,90,214/-
	Leave Travel Assistance	Rs.8,25,000/-
	Special Allowance	Rs.27,24,000/-
	Variable Incentive	Rs.33,00,000/-
	Retention payout	Rs.25,00,000/-
	Ex-gratia	Rs. 16,800/-
	Car Expenses (taxable)	Rs. 32,400/-
(c) Other Directors	Other perquisites (misc.)	Rs.16,761/-
	Only sitting fees has been paid for attending Board and Committee Meetings as mentioned above.	

(ii) Details of fixed component and performance linked incentives along with performance criteria – as mentioned above.

(iii) Service contract and notice period of Mr. A. K. Kothari & Mr. T. S. Parmar are as under :

Period of Contract	Mr. A. K. Kothari: From 1-4-2018 to 31-3-2021
	Mr. T. S. Parmar : From 1-4-2018 to 31-3-2023

(iv) Notice Period : Three months notice period for both.

(v) Severance fee : Apart from salary in lieu of notice period, there is no separate provision for payment of severance fee.

(vi) Criteria of making payment to non-executive directors: Non-executive directors are entitled to sitting fees only.

(vii) Stock Options: The Company has not issued any stock options to its Directors.

### Shares held by Non-Executive Directors

The table below gives details of shares held by the Non-executive Directors as on 31<sup>st</sup> March 2019 :

Name of the Director	Category	No. of shares held
Smt. P. D. Kothari	Non-Executive Non-Independent	12,500
Mr. R. Singhi	Non-Executive Independent	-
Mr. H. Kampani	Non-Executive Independent	-
Dr. A. K. Bhattacharya*	Non-Executive Independent	-
Mr. A. Sarkar	Non-Executive Independent	-
Mr. S. G. Belapure**	Non-Executive Independent	-

\* Ceased to be director with effect from close of business hours of 31<sup>st</sup> March, 2019.

\*\* Appointed as Additional Director (Non-executive, Independent) with effect from 14<sup>th</sup> February, 2019.

### Performance Evaluation Criteria for Independent Directors

In compliance with the provisions of the SEBI Listing Regulations, 2015 and on the basis of the Board Evaluation Policy the Nomination and Remuneration Committee has laid down the evaluation process of the Independent Directors which has been adopted by the Board. Evaluation criteria formulated for the Independent Directors are broadly based on :

- Leadership & stewardship abilities;
- Contributing to clearly defined corporate objectives & plans;
- Performance of duties and level of insight;
- Professional conduct and independence; and
- Qualification, experience and past track record.

## 4. GENERAL BODY MEETINGS

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

Financial Year	Date of AGM	Venue	Time
2017-2018 (79th AGM)	03/09/2018	Science City, Mini Auditorium, J B S Haldane Avenue, Kolkata – 700046	10.30 A.M.
2016-2017 (78th AGM)	12/09/2017	Science City, Mini Auditorium, J B S Haldane Avenue, Kolkata – 700046	10.00 A.M.
2015-2016 (77th AGM)	14/09/2016	Science City, Mini Auditorium, J B S Haldane Avenue, Kolkata – 700046	11.00 A.M.

### B) Particulars of Special Resolutions passed in the previous three AGMs:

- I) Two special resolutions were passed at the 79<sup>th</sup> Annual General Meeting held on 3<sup>rd</sup> September, 2018 :
  - (i) Special Resolution to reappoint Mr. A. K. Kothari as a Wholetime Director designated as Executive Chairman of the Company from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2021 and fix his remuneration;
  - (ii) Special Resolution to appoint Mr. T. S. Parmar who was functioning as the Chief Executive Officer as Managing Director & CEO of the Company from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023 and fix his remuneration;

- II) Three special resolutions were passed at the 78<sup>th</sup> Annual General Meeting held on 12<sup>th</sup> September, 2017:
- Special Resolution to reappoint Mr. A. K. Kothari as the Chairman & Managing Director of the Company from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018 and fix his remuneration;
  - Special Resolution to increase the remuneration of Mr. H. P. Kabra, Executive Director of the Company for the residual term of his tenure from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018;
  - Special Resolution under section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors to create charge on properties of the Companies for obtaining financial facilities from time to time upto a limit of Rs.250 Crores;
- III) Three special resolutions were passed at the 77<sup>th</sup> Annual General Meeting held on 14<sup>th</sup> September, 2016:
- Special Resolution to reappoint Mr. A. K. Kothari, Chairman & Managing Director of the Company from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 and fix his remuneration;
  - Special Resolution to reappoint Mr. K. P. Mundhra, Executive Director of the Company from 1<sup>st</sup> April, 2016 to 30<sup>th</sup> June, 2016 and fix his remuneration;
  - Special Resolution to appoint Mr. H. P. Kabra as Executive Director of the Company from 1<sup>st</sup> July, 2016 to 31<sup>st</sup> March, 2018 and fix his remuneration;

**D) Details of the Special Resolutions passed through Postal Ballot during 2018-2019/ Person who conducted the Postal Ballot exercise:**

During the financial year ended 31<sup>st</sup> March, 2019 the following special resolutions were passed through Postal Ballot in terms of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 as per Postal Ballot Notice dated 14<sup>th</sup> February, 2019. Mr. Ashok Kumar Daga, Practising Company Secretary (FCS – 2699, CP No. 2948) was appointed as the Scrutinizer to conduct the voting process in a fair and transparent manner. Details of the voting pattern in respect of the resolutions passed through the Postal Ballot are given below.

Item No.	Description of the Resolutions	Total No. of votes cast	Total No. of votes (%) in favour of the Resolution	Total No. of votes (%) against the Resolution
1.	Special Resolution for re-appointment of Mr. Rajiv Singhi (DIN-00071285) as an Independent Director for a further period of five years from 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2024;	3478465	3478453 (99.99%)	12 (0.00%)
2.	Special Resolution for re-appointment of Mr. Hemal Kampani (DIN-00057715) as an Independent Director for a further period of five years from 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2024;	3478467	3478460 (99.99%)	7 (0.00%)
3.	Special Resolution for re-appointment of Mr. Arindam Sarkar (DIN-06938957) as an Independent Director for a further period from 7 <sup>th</sup> August, 2019 upto 31 <sup>st</sup> March, 2024;	3478467	3478455 (99.99%)	12 (0.00%)

**E) As on date, there is no proposal to pass any special resolution through postal ballot.**

**F) Procedure for Postal Ballot**

If there is any resolution which the Company proposes to pass by Postal Ballot or is required to be passed by Postal Ballot in terms of Section 110 of the Companies Act, 2013, the Company dispatches the Postal Ballot Notice and forms along with postage prepaid Business Reply Envelope to its Members whose names appear on the Register of Members / List of beneficiaries as on a cut-off date. The Postal Ballot Notice is

sent to members in electronic form to the email addresses registered with their depository participants or with the Company; and in physical form to the addresses in the records of the Company's Registrar and Share Transfer Agents. In compliance with Section 108 and other applicable provisions of the Companies Act, 2013, read with the related Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company provides electronic voting (e-voting) facility to all its members. The Company engages the services of Central Depository Services (India) Limited (CDSL) for the purpose of providing the e-voting facility to its members. The members have the option to cast their votes either by physical ballot form or through e-voting. The Company also publishes a Notice in the newspapers on completion of dispatch of Postal Ballot Notices as mandated under the Act and applicable Rules thereunder.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes through physical Postal Ballot forms are requested to return the forms, duly completed and signed, to the Scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to cast their votes latest by 5.00 PM on the last date of e-voting.

The Scrutinizer submits his Report to the Chairman after the completion of scrutiny of the Postal Ballot Forms received from Members and electronic voting data received from CDSL, and the final results of the voting are then announced by the Chairman or an Officer authorized in this regard. The results are also displayed on the Company's website at [www.albertdavidindia.com](http://www.albertdavidindia.com) under Investor Relations, besides being communicated to the Stock Exchanges, CDSL and Registrar & Share Transfer Agent.

## 5. DISCLOSURES

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

The Company has not entered into any materially significant related party transactions during the year. None of the transactions with any of the related parties were in conflict with the interest of the Company at large. Details of related party relationships and transactions are disclosed in Note No.52 of "Other notes to Financial Statements" for the year ended 31<sup>st</sup> March, 2019. Details of related party transactions were periodically placed before the Audit Committee. The Company has a "Policy on materiality of related party transactions and dealing with related party transactions" for identification of related parties in due cognizance of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & otherwise, setting out the materiality thresholds and the proper conduct and documentation of all related party transactions within the framework of applicable laws and regulations. The said policy can be accessed on the website of the Company at [http://albertdavidindia.com/investor/sh\\_information/policy/Policy\\_on\\_materiality\\_and\\_dealing\\_with\\_Related\\_Party\\_Transactions\(wef\\_01April2019\).pdf](http://albertdavidindia.com/investor/sh_information/policy/Policy_on_materiality_and_dealing_with_Related_Party_Transactions(wef_01April2019).pdf)

### **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 Stock Exchanges or SEBI or any regulatory authority on any matter related to capital markets during the last three years.

### **Whistle Blower Policy**

The Company has implemented Whistle Blower Policy by way of forming Vigil Mechanism headed by the Chairman of the Audit Committee as required under Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, which provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The said policy may be referred to at the Company's website at [http://albertdavidindia.com/investor/sh\\_information/policy/Whistle%20Blower%20Policy%20\(w.e.f.%20April%201,%202019\).pdf](http://albertdavidindia.com/investor/sh_information/policy/Whistle%20Blower%20Policy%20(w.e.f.%20April%201,%202019).pdf)

None of the officials/personnel of the Company have been denied access to Chairman of the Audit Committee. No complaint has been received during the financial year ended 31<sup>st</sup> March, 2019.

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

The Company has complied with and adopted the mandatory requirements stipulated under Regulations 17 to 27 and Regulations 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The following non-mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 has been adopted –

- (i) Clause C of Schedule-II Part-E – Relating to movement towards a regime of financial statements with unmodified audit opinion;
- (ii) Clause D of Schedule-II Part-E – Relating to separate post of Chairperson and CEO.

**Disclosure of Accounting Treatment**

In the preparation of the financial statement, the Company has followed the Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

The Company has no subsidiary and hence there is no need to frame any policy for determining “material” subsidiary.

**Certificate from Practising Company Secretary**

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company has obtained a certificate from Mr. Raj Kumar Banthia, Practising Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority and such certificate forms part of this report.

**Commodity price risk, foreign exchange risk and hedging activities**

The Company is not indulging in commodity risk and hence no question arises of disclosure relating to commodity risks and hedging thereof. During the year, the Company has managed Foreign Exchange Risk against MTM forward contract of the nature of derivative contract and hedged to the extent considered necessary. Net open exposures are reviewed regularly. The details of Foreign Currency exposure are disclosed in Note No. 56.3.1 to the Financial Statements. Hedging of export debtors and import creditors have been dispensed with due to short term nature of credit involvement therein.

**Disclosures under SEBI Circular dated 15<sup>th</sup> November, 2018 :**

1. Risk management policy with respect to commodities including through hedging: Not applicable.
2. Exposure to commodity and commodity risks faced by the entity throughout the year:
  - a. Total exposure to commodities in INR: Not applicable.
  - b. Exposure to various commodities :

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
-----NIL-----							

- c. Commodity risk faced during the year and how they have been managed : Not applicable.



**Management discussion and analysis report**

The Company's annual report has a separate section for detailed Management Discussion and Analysis.

**Fees paid to the Statutory Auditors and network firms for all services**

During the year ended 31<sup>st</sup> March, 2019, the Company has availed the services of the Statutory Auditors and made the following payments :

Services availed	Payment (Rs.)
Statutory Audit for the FY 2018-19	4,00,000/-
Tax Audit for the FY 2018-19	37,000/-
Certifications	2,70,000/-

Except as provided above, no other services were availed and/or payments made by the Company to Statutory Auditors and/or to their network firms.

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year ended 31<sup>st</sup> March, 2019 :**

No. of complaints filed during the financial year	Nil
No. of complaints disposed of during the financial year	Nil
No. of complaints pending as on end of the financial year	Nil

**6. PARTICULARS OF APPOINTMENT / REAPPOINTMENT OF DIRECTORS FORM PART OF THE NOTICE CONVENING THE 80TH ANNUAL GENERAL MEETING****7. MEANS OF COMMUNICATION**

The quarterly financial results as well as the official press release are generally communicated to the stock exchanges immediately and published in Business Standard and Aajkaal (Bengali) newspapers and are also displayed on the website of the Company [www.albertdavidindia.com](http://www.albertdavidindia.com). During the year under review the company has not made any presentations to institutional investors or analysts.

**8. PREVENTION OF INSIDER TRADING**

The Board has in place policies and codes in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. In view of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 & 2019 the Company has revised and/or adopted the following Codes/Policies effective 1<sup>st</sup> April, 2019 :

- Code of Conduct to Regulate, Monitor and Report Trading by Insiders
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Policy for procedure of Inquiry in case of Leak of Unpublished Price Sensitive Information

The Code of Conduct besides other relevant matters prohibits an insider from dealing in the shares of the Company while in possession of unpublished price sensitive information in relation to the Company or its securities. All Directors, Senior Management Personnel, Key Managerial Personnel and other employees having access to price sensitive information are governed by this Code. These are available on the Company's website at <http://albertdavidindia.com/codes.php>.

During the time of declaration of Results, Dividend and other material events, the trading window is closed as per the Code. There has been no violation on this front.

## 9. GENERAL SHAREHOLDER INFORMATION

Date, time and venue of the Annual General Meeting	The 80th Annual General Meeting of the Company will be held at Science City, Seminar Hall, S-18 (A & B), J. B. S. Haldane Avenue, Kolkata – 700046 on Friday, the 9 <sup>th</sup> August, 2019 at 4.00 PM.
Financial Calendar 2019 – 2020 (tentative and subject to change)	<ul style="list-style-type: none"> <li>Financial Year: 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020</li> <li>First Quarter Results: By 14<sup>th</sup> August, 2019.</li> <li>Half Yearly Results: By 14<sup>th</sup> November, 2019.</li> <li>Third Quarter Results: By 14<sup>th</sup> February, 2020.</li> <li>Audited Results for the year ending 31<sup>st</sup> March, 2020 : By 30<sup>th</sup> May, 2020.</li> </ul>
Date of Book Closure	From Saturday, 3 <sup>rd</sup> August, 2019 to Friday, 9 <sup>th</sup> August, 2019 both days inclusive.
Dividend Payment Date	Dividend if declared shall be paid/credited on or after Wednesday, the 14 <sup>th</sup> August, 2019.
Listing on Stock Exchanges	<p>BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001.</p> <p>National Stock Exchange of India Ltd., Bandra Kurla Complex, Bandra (East), Mumbai-400051.</p> <p>Listing fees for the year 2019-2020 have been paid to the above Stock Exchanges in time.</p>
ISIN	INE155C01010
Stock Code	BSE : 524075      NSE : ALBERTDAVD

## 10. MARKET PRICE DATA

Month	Stock Price at BSE		BSE SENSEX		Stock Price at NSE		NSE NIFTY	
	High (Rs.)	Low (Rs.)	High	Low	High (Rs.)	Low (Rs.)	High	Low
April, 2018	393.00	362.00	35213.30	32972.56	392.00	366.10	10759.00	10111.30
May, 2018	395.00	356.10	35993.53	34302.89	396.00	356.00	10929.20	10417.80
June, 2018	474.60	358.10	35877.41	34784.68	471.70	363.60	10893.25	10550.90
July, 2018	458.00	381.00	37644.59	35106.57	460.00	363.00	11366.00	10604.65
August, 2018	615.95	392.00	38989.65	37128.99	617.15	392.55	11760.20	11234.95
September, 2018	854.75	548.75	38934.35	35985.63	860.00	552.25	11751.80	10850.30
October, 2018	605.70	450.00	36616.64	33291.58	612.20	446.25	11035.65	10004.55
November, 2018	574.95	370.00	36389.22	34303.38	576.90	373.00	10922.45	10341.90
December, 2018	444.55	353.00	36554.99	34426.29	445.45	353.50	10985.15	10333.85
January, 2019	425.00	360.05	36701.03	35375.51	429.50	365.00	10987.45	10583.65
February, 2019	429.80	362.00	37172.18	35287.16	429.40	360.25	11118.10	10585.65
March, 2019	447.00	385.00	38748.54	35926.94	449.90	387.00	11630.35	10817.00

Note : The Company's shares are listed in BSE and NSE. Performance of the Company's shares has been compared with broad based BSE SENSEX and NSE NIFTY.

## 11. REGISTRAR AND SHARE TRANSFER AGENT

M/s. Maheshwari Datamatics Pvt. Ltd.  
23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700001  
Tel. No. : (033) 2248-2248/2243-5029, Fax No. : 2248-4787  
E-Mail Id : mdpldc@yahoo.com

## 12. SHARE TRANSFER SYSTEM

Requests for dematerialization and transfer Transmission / transposition of shares in physical form are processed by the Registrar and Share Transfer Agent and approved by the Stakeholders' Relationship / Grievance Committee. The share transfer process is reviewed by the said Committee.

Certificate of compliance under Regulation 40(10) of the Listing Regulations are filed with Stock Exchanges on half yearly basis.

## 13. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2019

### Distribution by category

Sl. No.	Category of Shareholder	No. of shares held	Percentage of shareholding
A	Shareholding of Indian Promoters/Directors	3475514	60.90%
B	Public Shareholding		
	1. Mutual Funds / UTI	900	0.02%
	2. Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/Non-Government Institutions)	254287	4.45%
	3. Foreign Portfolio Investors	6661	0.12%
	4. Private Corporate Bodies	174153	3.05%
	5. Indian Public	1672232	29.30%
	6. NRI	78835	1.38%
	7. Clearing Members	18471	0.32%
	8. IEPF Account	26089	0.46%
	9. NBFC registered with RBI	20	0.00%
	Total (B)	2231648	39.10%
	<b>TOTAL (A+B)</b>	<b>5707162</b>	<b>100.00%</b>

### Distribution by No. of shares

Equity shares held	No. of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
Upto 500	8249	92.60%	747188	13.10%
501 to 1000	348	3.91%	272001	4.77%
1001 to 2000	178	1.99%	256844	4.50%
2001 to 3000	48	0.54%	118989	2.08%
3001 to 4000	21	0.24%	74243	1.30%
4001 to 5000	6	0.07%	27663	0.48%
5001 to 10000	31	0.35%	224508	3.93%
Above 10000	27	0.30%	3985726	69.84%
<b>TOTAL :</b>	<b>8908</b>	<b>100%</b>	<b>5707162</b>	<b>100%</b>

#### **14. DEMATERIALISATION OF SHARES AND LIQUIDITY**

The Company has Agreement with both the Depositories i.e., NSDL and CDSL to facilitate holding and trading in shares of the Company in dematerialized form. As per guidelines of the Securities and Exchange Board of India (SEBI), equity shares of the Company are compulsorily traded in dematerialized form for all the investors with effect from 1<sup>st</sup> October, 2000. As on 31<sup>st</sup> March, 2019, 56,18,477 shares representing 98.45% of the total equity share capital of the Company were held in dematerialized form. The International Securities Identification Number (ISIN) of the Company is INE155C01010.

In view of SEBI vide its Notification dated 20<sup>th</sup> April, 2018 the Company has issued individual notices dated 13<sup>th</sup> September, 2018, 14<sup>th</sup> August, 2018 and 10<sup>th</sup> September, 2018 to the shareholders of the Company who have not provided their PAN and Bank Account details to the Company and also advised shareholders holding physical share certificates to dematerialize their shareholding.

#### **15. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS**

Conversion date and likely impact on equity : None

#### **16. PLANT LOCATIONS**

- a) Kolkata : 5/11, D. Gupta Lane, Kolkata-700050
- b) Ghaziabad : B-12/13, Meerut Road, Industrial Area, Ghaziabad - 201003

#### **17. ADDRESS FOR INVESTOR CORRESPONDENCE**

Albert David Limited, Share Department  
'D' Block, 3rd Floor, Gillander House, Netaji Subhas Road, Kolkata - 700001.  
Phone : 033-2230-2330; 2262-8436/8456/3492, Fax: 033-2262-8439  
Email : adidavid@dataone.in, Website: www.albertdavidindia.com

#### **18. CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT**

In accordance with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has a Code of Conduct for all its Members and Senior Management Personnel of the Company. The Code has been put on Company's website at <http://albertdavidindia.com/codes.php>. Confirmation of compliance with the Code of Conduct by the Board members and senior management personnel of the Company signed by the Managing Director & CEO of the Company forms part of this Report.

#### **19. CREDIT RATING**

The long term and short term bank facilities of the company have been rated by Crisil Ltd. as Crisil A-/Stable and Crisil A1, respectively.

#### **20. CEO & CFO CERTIFICATION**

Pursuant to Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we hereby certify that —

- a) We have reviewed financial statements and the cash flow statement of the Company for the year ended 31<sup>st</sup> March, 2019 and that to the best of our knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to

financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d) We have indicated to the auditors and the Audit Committee that :
- (i) There were no significant changes in internal control over financial reporting have taken place during the year ;
  - (ii) Treatments of mandatorily laid change in accounting policies during the year has been disclosed in the notes to the financial statements; and
  - (iii) There were no instances of significant fraud of which we have become aware and there were no involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

**S. C. Shah**

Vice President (Finance) & CFO

Sd/-

**T. S. Parmar**

Managing Director& CEO  
(DIN-05118311)

For and on behalf of the  
Board of Directors

Place : Kolkata  
Dated : 29<sup>th</sup> May,2019

**A. K. Kothari**  
Executive Chairman  
DIN : 00051900

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director & CEO, Wholtime/ Executive Directors, Non-Executive Directors and Independent Directors. The Code is available on the Company's website.

I confirm that the Company has in respect of the year ended 31<sup>st</sup> March, 2019, received from the senior management team of the Company and the members of the Board declaration of compliance with the Code of Conduct as applicable to them.

For **Albert David Limited**

**T. S. Parmar**

Managing Director & CEO  
DIN : 05118311

Place : Kolkata  
Date : 29<sup>th</sup> May, 2019

## INDEPENDENT AUDITORS' COMPLIANCE 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 31<sup>st</sup> March 2019, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is limited to procedures, and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that all investor grievances were redressed within 30 days of lodgment of grievance and as on 31<sup>st</sup> March, 2019 no investor complaint is pending against the company as per the records maintained by the Stakeholders Relationship/Grievance Committee.

We further 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 **Basu Chanchani & Deb**  
Chartered Accountants  
(Registration No304049E)

**Biswanath Chattopadhyay**  
Partner  
(Membership No. 051800)

Place : Kolkata  
Date : 29<sup>th</sup> May, 2019

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## CERTIFICATE FROM PRACTICING COMPANY SECRETARY

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by ALBERT DAVID LIMITED having its Registered Office at 'D' Block, 3<sup>rd</sup> Floor, Gillander House, Netaji Subhas Road, Kolkata - 700001, West Bengal ("the Company"), the information provided by the Company, its officers, agents and authorized representatives and based on the verification of the Ministry of Corporate Affairs' website, we hereby report that during the Financial Year ended on March 31, 2019, in our opinion, none of the director on the board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

For **MKB & Associates**  
Company Secretaries

**Raj Kumar Banthia**  
(Partner)

ACS no. 17190

COP no. 18248

FRN : P2010WB042700

Date : 29<sup>th</sup> May, 2019  
Place : Kolkata

# INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF ALBERT DAVID LIMITED

## Report on the Audit of the Financial Statements of Albert David Limited

### Opinion

We have audited the accompanying financial statements of *Albert David Limited* ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the statement of profit and loss (including other comprehensive income), the statement of changes in Equity and the cash flow statement for the year on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statement").

In our opinion and to the best of information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2019, the profit, comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of the Chartered Accountants of India (ICAI) together with independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming of opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matters
<p><b>A. Revenue Recognition</b></p> <p>Revenue for the company consists primarily of sale of products.</p> <p>Revenue from the sale of products is recognized at the moment when performance obligation of the underlying products have been completed and is measured net of discounts, incentives and rebates given to the customers.</p> <p>The estimation of discounts, incentives and rebates recognized, related to sales made during the year, is material and considered to be</p>	<p><b>Our key procedures included the following:</b></p> <p>a) Assessed the appropriateness of the company's revenue recognition accounting policies, including those relating to discounts, incentives and rebates by comparing with the applicable accounting standards;</p> <p>b) Tested the operating effectiveness of the general IT control environment and key IT application controls over recognition of revenue, calculation of discounts, incentives and rebates;</p> <p>c) Performed test of details:</p> <p>i) Agreed samples of sales, discounts, incentives</p>



Key audit matter	How our audit addressed the key audit matters
<p>complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of inaccurate estimates of discounts, incentives and rebates.</p> <p>Further, the company focuses on revenue as a key performance measure. Therefore, revenue was our area of focus included whether the accruals were misstated and appropriately valued, whether rebates and discounts was recorded in the correct period and whether the significant transactions had been accurately recorded in the Statement of Profit and Loss.</p> <p>Refer corresponding note for amounts recognized as revenue from sale of products.</p>	<p>and rebates to supporting documentation and approvals; and</p> <p>ii) Obtained supporting documents for sales transactions recorded either side of year end as well as credit notes issued after the year ended to determine whether revenue was recognized in the correct period.</p> <p>d) Performed focused analytical procedures:</p> <p>i) Compared the revenue for the current year with the prior year for variance/ trend analysis and where relevant, completed further inquiries and testing to corroborate the variances by considering both internal and external benchmarks, overlaying our understanding of industry; and</p> <p>ii) Compared the discounts, incentives and rebates of the current year with the prior year for variance/ trend analysis and where relevant, completed further inquiries and testing to corroborate the variances by considering both internal and external benchmarks, overlaying our understanding of industry.</p> <p>e) Considered the appropriateness of the company's description of the accounting policy, disclosures related to revenue, discounts, incentives and rebates and whether these are adequately presented in the financial statement.</p>
<p><b>B. Litigations and claims provisions and contingent liabilities</b></p> <p>As disclosed in Notes detailing contingent liability and provision for contingencies, the company is involved in direct, indirect tax and other litigations ('litigations') that are pending with different statutory authorities.</p> <p>Whether a liability is recognized or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments.</p> <p>The amounts involved are potentially significant and determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently subjective.</p>	<p><b>Our key procedures included the following:</b></p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the company's accounting policies, including those relating to provision and contingent liability by comparing with the applicable accounting standards;</li> <li>Assessed the company's process for identification of the pending litigations and completeness for financial reporting and also for monitoring of significant developments in relation to such pending litigations;</li> <li>Engaged subject matter specialists to gain an understanding of the current status of litigations and monitored changes in the disputes, if any, through discussions with the management and by reading external advice received by the company, where relevant, to establish that the provisions had been appropriately recognized or disclosed as required;</li> <li>Assessed the company's assumptions and</li> </ul>

	<p>estimates in respect of litigations, including the liabilities or provisions recognized or contingent liabilities disclosed in the financial statements. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts;</p> <ul style="list-style-type: none"> <li>• Performed substantive procedures on the underlying calculations supporting the provisions recorded;</li> <li>• Assessed the management's conclusions through understanding precedents set in similar cases; and</li> </ul> <p>Considering the appropriateness of the company's description of the disclosures related to litigations and whether these are adequately presented in the financial statements.</p>
<p><b>C. Valuation of investments and impairment thereof</b></p> <p><b>I. Non-Current Investments in Unquoted equity instruments.</b></p> <p><b>II. Current Investments in unquoted mutual funds.</b></p> <p><b>III. Fixed Deposit with Bank.</b></p>	<p><b>Our key procedures included the following:</b></p> <p>Verified with reference to latest registered valuers report;</p> <p>Valuation report based on simple average of valuation of investee on EBIDTA concept, Revaluation concept, and Discounted cash flow concept.</p> <p>Verified with reference to duly declared NAV of the investee.</p> <p>Verified with reference to banks' confirmation and computation of interest accrued thereon.</p>
<p><b>D. Evaluation of uncertain tax provisions</b></p> <p>The Company has material uncertain tax provisions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note No.44(1) of the financial statements.</p> <p><b>E. Recoverability of Indirect tax receivables</b></p> <p>As at March 31, 2019, non-current assets in respect of withholding tax and others include Customs / Excise Duty / Cenvat recoverable amounting to Rs.213.02 lakhs which are pending adjudication.</p> <p>Refer Note 21 to the Financial Statements.</p>	<p><b>Principal Audit procedures</b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p> <p><b>Principal Audit procedures</b></p> <p>We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.</p>

### **Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the companies in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies are also responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error..

In preparing the financial statements, the Board of Directors of the company is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the financial statements.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure 1". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act read with Schedule-V of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The financial statements disclose the impact of pending litigations on the financial position of the company in note no.44 of financial statements.

ii. The company has not entered into long term contracts or derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure 2" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

For **Basu Chanchani & Deb**  
Chartered Accountants  
Firm Registration No.304049E

**(Biswanath Chattopadhyay)**  
Partner  
Membership No.051800

Place : Kolkata  
Date : May 29, 2019

## Annexure-1

### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT") REFERRED TO IN PARA V (2) (F) OF OUR REPORT OF EVEN DATE.

We have audited the internal financial controls over financial reporting of **Albert David Limited** ("the Company") as of 31<sup>st</sup> March 2019 in conjunction with our audit of IND AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of IND AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of IND AS financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 3<sup>1st</sup> March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Basu Chanchani & Deb**  
Chartered Accountants  
Firm Registration No.304049E

**(Biswanath Chattopadhyay)**  
Partner  
Membership No.051800

Place : Kolkata  
Date : May 29, 2019



## ANNEXURE 2

### Report on the matters specified in Paragraphs 3 and 4 of THE COMPANIES (AUDITOR'S REPORT) ORDER, 2016, referred to in Para V (1) of our report of even date

- 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 at reasonable intervals. As informed, no material discrepancies between book records and the physical inventories have been noticed on such verification.
  - c. The title deeds of immovable property are held in the name of the Company.
- II. The inventories have been physically verified at reasonable intervals during the year by the management. The discrepancies noticed on physical verification between the physical stock and book records were not material and have been properly dealt with in the books of accounts.
- III. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraphs 3(ii), 3(iii)(a) to 3(iii)(c) of the said order are not applicable.
- IV. In our opinion and according to explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities as applicable.
- V. The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified. Accordingly, paragraph 3(V) of the Order is not applicable.
- VI. On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 in respect of products of the company covered under the rules under said section have been made and maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.
- VII.
  - a) According to information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, goods and services tax, cess and other statutory dues to the extent applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date of becoming payable.
  - b) The dues on account of Sales Tax, Income Tax, Excise Duty and Cess disputed by the company and not being paid, vis-à-vis forums where such disputes are pending are mentioned below:-

Name of the Statute	Nature of dues	Amount Rs. in lacs	Period to which the amount relates	Forum where dispute is pending
<b>Sales Tax :</b>				
Central Sales Tax Act, 1956	Tax on Lease Rental	5.74	2002-2003	Calcutta High Court
- Do -	- Do -	1.52	2003-2004	- Do -
- Do -	- Do -	2.62	2005-2006	W.B. Com. Taxes Appellate & Revisional Board
Jharkhand VAT Act, 2005	Dispute of sale	0.81	2011-2012	Dy. Commissioner, Commercial Tax, Jharkhand

Name of the Statute	Nature of dues	Amount Rs. in lacs	Period to which the amount relates	Forum where dispute is pending
<b>Income Tax :</b>				
Income Tax Act, 1961	Tax on disallowance of expenditure	0.20	1991-1992	Commissioner of Income Tax (Appeal)
- Do -	- Do -	6.95	1999-2000	Calcutta High Court
- Do -	Tax on disallowance of depreciation.	20.41	2013-2014	Com. of Income Tax (Appeal)
- Do -	Tax on disallowance of R&D Expenditure	100.20	2014-2015	- Do -
- Do -	Tax on disallowance of depreciation	25.39	2015-2016	- Do -
<b>Excise Duty :</b>				
Central Excise Act, 1944	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	CESTAT
<b>Cess : Water (Prevention &amp; Control of Pollution) Cess Act, 1977</b>	Additional levy of Water Cess	49.77	05.01.1994 to 31.03.2019	Allahabad High Court

- VIII. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any bank or government. Company has no debenture holder or financial institutional borrowing during the year.
- IX. Neither any term loan has been obtained during the year nor any money was raised by way of public offer (including debt instruments) during the year by the company.
- X. No fraud has been noticed or reported on or by the company during the year.
- XI. The managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V of the Act.
- XII. The Company is not a Nidhi Company and accordingly paragraph 3 (XII) of the Order is not applicable.
- XIII. All the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of related parties transactions have been disclosed in the IND AS Financial Statements as required by the applicable Indian Accounting Standards.
- XIV. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- XV. The Company has not entered into any non-cash transaction with directors.
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Basu Chanchani & Deb**  
Chartered Accountants  
Firm Registration No.304049E

**(Biswanath Chattopadhyay)**  
Partner  
Membership No.051800

Place : Kolkata  
Date : May 29, 2019

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## ACCOUNTS STATEMENT

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# BALANCE SHEET as at 31st March, 2019

(Rs. in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>1 ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
a Property, Plant and Equipment	5	7,707.13	8,281.60
b Capital Work-In-Progress		259.61	282.01
c Intangible Assets	6	1.57	2.64
d Intangible Assets under development		246.07	242.67
e Financial Assets			
i Investments	7	2,142.95	1,890.41
ii Loans	8	245.02	250.05
iii Other Financial Assets	9	—	133.32
f Non-Current Tax Assets	10	245.82	245.29
g Deferred Tax Assets (Net)	11	—	386.57
h Other Non-Current Assets	12	57.33	33.91
<b>2. CURRENT ASSETS</b>			
a Inventories	13	4,405.78	4,320.65
b Financial Assets			
i Investments	14	9,155.02	4,897.87
ii Trade Receivables	15	2,255.24	2,731.57
iii Cash and Cash Equivalents	16	685.45	2,542.53
iv Bank balances (other than 2.b iii)	17	27.13	23.76
v Loans	18	1,450.23	1,756.83
vi Other Financial Assets	19	5.33	82.53
c Current Tax Assets (Net)	20	133.23	103.96
d Other Current Assets	21	516.09	720.56
<b>3. Non-Current Assets classified as held for sale</b>		—	45.75
<b>Total Assets</b>		<b>29,539.00</b>	<b>28,974.48</b>
<b>1 EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a Equity Share Capital	22	570.72	570.72
b Other Equity	23	20,473.85	18,023.94
<b>LIABILITIES</b>			
<b>2 NON-CURRENT LIABILITIES</b>			
a Financial Liabilities			
Other Financial Liabilities	24	472.53	472.24
b Provisions	25	1,006.33	974.39
c Deferred Tax Liabilities (Net)	11	98.93	—
<b>3 CURRENT LIABILITIES</b>			
a Financial Liabilities			
i Borrowings	26	44.24	2,763.50
ii Trade Payables	27		
Total outstanding dues of creditors to micro enterprises and small enterprises		14.08	19.92
Total outstanding dues of creditor to other than micro enterprises and small enterprises		3,292.35	3,155.49
iii Other Financial Liabilities	28	1,578.90	1,129.61
b Other Current Liabilities	29	408.60	359.39
c Provisions	30	1,001.61	1,419.14
d Current Tax Liabilities (Net)	31	576.86	86.14
<b>Total Equity and Liabilities</b>		<b>29,539.00</b>	<b>28,974.48</b>
Basis of preparation and presentation of Financial Statement	2		
Significant Accounting Policies	3		
Significant Judgement & Key Estimate	4		
The Notes are an integral part of the Financial Statements			

As per our report of even date attached

For **Basu Chanchani & Deb**  
Chartered Accountants  
Firm Registration No. 304049E  
**Biswanath Chattapadhyay**

Partner  
Membership No : 051800

For and on behalf of the Board of Directors of **Albert David Limited**  
CIN No. L51109WB1938PLC009490

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

**I DHAR**  
Associate V.P.(Accts.& Tax.)  
cum Company Secretary  
( ACS - 9054 )

**A K KOTHARI**  
Executive Chairman  
DIN : 00051900

**T S PARMAR**  
Managing Director & CEO  
DIN : 05118311

Place : Kolkata  
Date : 29<sup>th</sup> May, 2019

# STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2019

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2019	(Rs. in Lakhs) For the year ended 31 <sup>st</sup> March, 2018
<b>CONTINUING OPERATIONS</b>			
<b>INCOME</b>			
Revenue from Operations	32	31,689.10	28,899.33
Other Income	33	678.54	890.83
<b>Total Income from Continuing Operations</b>		<b>32,367.64</b>	<b>29,790.16</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	34	5,897.11	5,888.92
Purchases of Stock -in- Trade	35	4,646.24	3,212.95
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	36	125.48	(8.73)
Employee Benefits Expense	37	8,948.74	8,453.54
Finance Costs	38	61.74	85.88
Depreciation and Amortisation Expense	39	697.80	823.10
Other Expenses	40	9,105.41	9,180.11
<b>Total Expenses from Continuing Operations</b>		<b>29,482.52</b>	<b>27,635.77</b>
<b>Profit before Tax from Continuing Operations</b>		<b>2,885.12</b>	<b>2,154.39</b>
<b>Tax Expense</b>	41		
Current Tax		1,132.69	764.30
Deferred Tax		(20.00)	41.87
<b>Profit for the year from Continuing Operations</b>		<b>1,772.43</b>	<b>1,348.22</b>
<b>DISCONTINUED OPERATIONS</b>	42		
Profit/(Loss) before tax from Discontinued Operations		<b>1,400.85</b>	<b>(561.39)</b>
<b>Tax Expense</b>			
Current Tax		(17.31)	185.70
Deferred Tax		(491.98)	11.55
<b>Profit for the year from Discontinued Operations</b>		<b>891.56</b>	<b>(364.14)</b>
<b>Profit for the Year</b>		<b>2,663.99</b>	<b>984.08</b>
<b>Other Comprehensive Income for Continuing Operations</b>			
Items that will not be reclassified to profit or loss :			
i) Remeasurement of defined benefit plan		(114.77)	(472.57)
ii) Equity instrument through other Comprehensive income		252.54	-
Income tax relating to these items		26.59	163.53
<b>Other Comprehensive Income for the Year (Net of Tax) from Continuing Operations</b>		<b>164.36</b>	<b>(309.04)</b>
<b>Other Comprehensive Income for Discontinued Operations</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		-	(5.94)
Income tax relating to this item		-	2.07
<b>Other Comprehensive Income for the Year (Net of Tax) from Discontinued Operations</b>		<b>-</b>	<b>(3.87)</b>
<b>Total Comprehensive Income for the period</b>		<b>2,828.35</b>	<b>671.17</b>
<b>Earnings Per Share</b>	43		
<b>Earning per Equity Share from Continuing &amp; Discontinued Operations</b>			
Basic & Diluted		46.68	17.24
<b>Earning per Equity Share from Continuing Operations</b>			
Basic & Diluted		31.06	23.62
<b>Earning per Equity Share from Discontinued Operations</b>			
Basic & Diluted		15.62	(6.38)
Basis of preparation and presentation of Financial Statement	2		
Significant Accounting Policies	3		
Significant Judgement & Key Estimate	4		
The Notes are an integral part of the Financial Statements			

As per our report of even date attached

For **Basu Chanchani & Deb**  
Chartered Accountants  
Firm Registration No. 304049E  
**Biswanath Chattapadhyay**  
Partner  
Membership No : 051800

Place : Kolkata  
Date : 29<sup>th</sup> May, 2019

For and on behalf of the Board of Directors of **Albert David Limited**  
CIN No. L51109WB1938PLC009490

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

**I DHAR**  
Associate V.P.(Accts.& Tax.)  
cum Company Secretary  
(ACS - 9054)

**A K KOTHARI**  
Executive Chairman  
DIN : 00051900

**T S PARMAR**  
Managing Director & CEO  
DIN : 05118311

## CASH-FLOW STATEMENT for the year ended 31st March, 2019

Particulars	Rs. in Lakhs	
	Year ended 31 <sup>st</sup> March 2019	Year ended 31 <sup>st</sup> March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax from :		
Continuing operations	2,885.12	2,154.39
Discontinued operations	1,400.85	(561.39)
Adjustment for :		
Depreciation and amortisation expense	701.82	836.99
Fixed assets written off	0.00	8.47
Interest charged	39.09	45.52
Interest Income	(182.45)	(137.51)
(Gain)/Loss on Sale of Property, Plant & Equipment	(1,460.89)	(331.80)
Net gain on sale of current Investments	(10.25)	(41.99)
Net fair value gain/loss on investments measured at FVTPL	(200.33)	(223.65)
Dividend Income	(162.43)	(27.71)
Effect of Exchange Rate Change(Net)	(2.96)	151.56
Operating Profit before Working Capital changes	3,007.57	1,872.88
Adjustment for changes in working capital :		
(Increase)/Decrease in Trade & Other Receivables	713.77	1,011.79
(Increase)/Decrease in loans and other Bank balance	51.03	(44.94)
(Increase)/Decrease in Inventories	(85.13)	745.03
Increase/(Decrease) in Trade and Other Payables	142.66	139.89
<b>Cash Generated from Operations</b>	3,829.90	3,724.65
Direct Taxes Paid	(633.79)	(723.35)
<b>Net Cash from Operating Activities</b>	3,196.11	3,001.30
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Proceeds against acquisition of Property, Plant & Equipment and Intangible Assets including Capital work-in-progress and Capital Advance.	(196.00)	(376.78)
Proceeds from Sale of Property & Equipment	1,548.02	492.83
Interest Received	202.90	121.98
Proceeds against acquisition of Non-Current Investments	0.00	(215.84)
Proceeds against acquisition of Current Investments	(15,494.11)	(13,338.20)
Proceeds of realization of Current Investments	11,447.54	12,922.09
Disbursement of Inter corporate Loan	(1,600.00)	(1,130.00)
Repayment of Inter corporate loan taken	1,880.00	400.00
Fixed Deposit in Escrow Account	133.32	(7.25)
Dividend Received on Current Investments	162.43	27.71
<b>Net Cash used in Investing Activities</b>	(1,915.90)	(1,103.46)

Particulars	Year ended 31 <sup>st</sup> March 2019	Rs. in Lakhs Year ended 31 <sup>st</sup> March 2018
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of short term borrowings	(1,291.70)	(33.27)
Interest Paid	(42.03)	(45.89)
Dividend Paid (including Tax on dividend )	(375.06)	(376.67)
<b>Net Cash used in Financing Activities</b>	<b>(1,708.79)</b>	<b>(455.83)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(428.58)</b>	<b>1,442.01</b>
Opening Cash and Cash Equivalents	1,070.73	(391.77)
Unrealised Gain/(Loss) in Foreign Currency	(0.94)	20.49
Closing Cash and Cash Equivalents	641.21	1,070.73
Closing Cash and Cash Equivalents consists of the following :		
Cash in Hand	5.22	9.19
Remittance in transit	5.70	—
Bank Balance with Schedule Banks :		
On Current Account(including unrealised Foreign currency gain Rs.-0.94,Previous year Rs.20.49)	674.53	2,533.34
On Cash Credit Account	(44.24)	(1,471.80)
	641.21	1,070.73

**Notes :**

- The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard(Ind AS-7) - Statement of Cash Flows.
- Figures in bracket indicate Cash outgo.
- This statement is to be read with Note No.58(c) addressing on cashflow impact towards discontinued operations.
- Previous year figures are regrouped and rearranged wherever necessary.

The Notes are an integral part of the Financial Statements.

As per our report of even date attached	For and on behalf of the Board of Directors of <b>Albert David Limited</b> CIN No. L51109WB1938PLC009490
For <b>Basu Chanchani &amp; Deb</b> Chartered Accountants Firm Registration No. 304049E <b>Biswanath Chattapadhyay</b> Partner Membership No : 051800	<b>S C SHAH</b> V.P.(Finance) & C.F.O.  <b>I DHAR</b> Associate V.P.(Accts.& Tax.) cum Company Secretary ( ACS - 9054 )
Place : Kolkata Date : 29 <sup>th</sup> May, 2019	<b>A K KOTHARI</b> Executive Chairman DIN : 00051900 <b>T S PARMAR</b> Managing Director & CEO DIN : 05118311



# STATEMENT OF CHANGE IN EQUITY

for the year ended 31<sup>st</sup> March, 2019

**Particulars**
**Amount Rs. in Lakhs**
**Equity Share Capital**

Balance as at 1 <sup>st</sup> April 2017	570.72
Add/(Less) : Changes in Equity Share Capital during the year	–
Balance as at 31 <sup>st</sup> March 2018	570.72
Add/(Less) : Changes in Equity Share Capital during the year	–
Balance as at 31 <sup>st</sup> March 2019	<b>570.72</b>

**Other Equity**

Particulars	Reserve & Surplus					Other Comprehensive Income		Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of Defined benefit obligation	Equity instrument through Other Comprehensive Income	
<b>Balance as at 1<sup>st</sup> April, 2017</b>	13.88	8.45	314.72	12,881.84	4,487.22	–	24.47	<b>17,730.58</b>
Profit for the year	–	–	–	–	984.08	–	–	<b>984.08</b>
Other Comprehensive Income	–	–	–	–	–	(312.91)	–	<b>(312.91)</b>
<b>Total Comprehensive Income for the year</b>	–	–	–	–	984.08	(312.91)	–	<b>671.17</b>
Remeasurement of Defined Benefit Obligation transferred to Retained Earning	–	–	–	–	(312.91)	312.91	–	<b>–</b>
Dividend & Dividend distribution tax	–	–	–	–	(377.81)	–	–	<b>(377.81)</b>
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>13.88</b>	<b>8.45</b>	<b>314.72</b>	<b>12,881.84</b>	<b>4,780.58</b>	<b>–</b>	<b>24.47</b>	<b>18,023.94</b>
Profit for the year	–	–	–	–	2,663.99	–	–	<b>2,663.99</b>
Other Comprehensive Income	–	–	–	–	–	(74.66)	239.02	<b>164.36</b>
<b>Total Comprehensive Income for the year</b>	–	–	–	–	<b>2,663.99</b>	<b>(74.66)</b>	<b>239.02</b>	<b>2828.35</b>
Remeasurement of Defined Benefit Obligation transferred to Retained Earning	–	–	–	–	(74.66)	74.66	–	<b>–</b>
Dividend & Dividend distribution tax	–	–	–	–	(378.44)	–	–	<b>(378.44)</b>
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>13.88</b>	<b>8.45</b>	<b>314.72</b>	<b>12,881.84</b>	<b>6,991.47</b>	<b>–</b>	<b>263.49</b>	<b>20,473.85</b>

The Notes are an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors of

**Albert David Limited**

CIN No. L51109WB1938PLC009490

For **Basu Chanchani & Deb**  
Chartered Accountants  
Firm Registration No. 304049E

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

**A K KOTHARI**  
Executive Chairman  
DIN : 00051900

**Biswanath Chattapadhyay**  
Partner  
Membership No : 051800

**I DHAR**  
Associate V.P.(Accts. & Tax.)  
cum Company Secretary  
(ACS - 9054)

**T S PARMAR**  
Managing Director & CEO  
DIN : 05118311

Place : Kolkata  
Date : 29<sup>th</sup> May, 2019

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 31<sup>st</sup> March, 2019

### 1. CORPORATE AND GENERAL INFORMATION

Albert David Limited ("the Company") is a public limited company incorporated in 1938 and domiciled in India and has its listing on the BSE Limited and National Stock Exchange of India. The Company belongs to a renowned industrial house of Kolkata, the "Kothari Group". The registered office of the Company is situated in Kolkata. The Company's principal business is manufacturing and trading of Pharmaceutical Formulations, Infusion Solutions, Herbal Dosage Forms and Bulk Drugs by way of domestic sale or export.

The financial statements of the Company for the year ended 31<sup>st</sup> March 2019 has been approved by the Board of Director in their meeting held on 29<sup>th</sup> May 2019.

### 2. BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENT

#### 2.1. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The Company has consistently applied the accounting policies used in the preparation of its financial statement from 1<sup>st</sup> April, 2016, i.e. the date of "First Time Adoption of Indian Accounting Standards" under INDAS-101.

#### 2.2. Basis of Measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for followings :

- Certain Financial Assets and Liabilities are measured at Fair value/ Amortised cost (refer accounting policy regarding financial instruments);
- Derivative Financial Instruments measured at fair value;
- Defined Benefit Plans – plan assets measured at fair value.

#### 2.3. Functional and Reporting Currency

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

#### 2.4. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### 2.5. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division-II, Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

in the Division-II, Schedule III to the Act, and various stipulations of Ind AS or any other act are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

### 2.6. Operating Cycle for current and non-current classification

All assets and liabilities have been classified as current or non-current depending on the Company's normal operating cycle and other criteria set out in the Division-II, Schedule III of the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

**An asset is classified as current when it is :**

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

**A liability is current when :**

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

### 2.7. Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole :

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and maintenance of professional standards.

### 3. ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

#### 3.1. INVENTORIES

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is measured by including, unless specifically mentioned below, cost of purchase and other costs incurred in bringing the inventories to their present location and condition. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**Cost formulae are as follows :**

Particulars	Cost Formula
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 realizable value.

#### 3.2. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts/cash credit as they are considered an integral part of the Company's cash management. Bank overdrafts/cash credit are shown within short term borrowings in the Balance sheet.

#### 3.3. INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly attributable to other equity. In these cases, the tax is also recognised in other comprehensive income or in statement of change in other equity, respectively.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 3.3.1. Current Tax :

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

### 3.3.2. Deferred Tax

- Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in statement of change in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## 3.4. PROPERTY, PLANT AND EQUIPMENT

### 3.4.1. Tangible Assets

#### 3.4.1.1. Recognition and Measurement :

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet under cost model i.e., cost, less any accumulated depreciation and accumulated impairment losses (if any), except for freehold land which are carried at historical cost.
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. Such costs includes borrowing cost if recognition criteria are met.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 3.4.1.2. Subsequent Measurement :

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

### 3.4.1.3. Depreciation and Amortization :

- Depreciation on Property, Plant & Equipment is provided on Straight Line Method in terms of life span of assets prescribed in Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis depending on the usage period of assets since/ up to the date of installation / disposal.
- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### 3.4.1.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

### 3.4.1.5. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

## 3.5. LEASES

### 3.5.1. Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### 3.5.2. Company as lessor

#### • Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

- **Operating Lease**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

### 3.5.3. Company as lessee

- **Finance Lease**

Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

- **Operating Lease**

Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the Company with expected inflationary costs.

### 3.6. REVENUE RECOGNITION

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

#### 3.6.1. Other Income:

**3.6.1.1. Interest Income:** For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. For other financial assets interest is accounted for in terms of fair rate.

**3.6.1.2. Dividend Income:** Dividend income is accounted in the period in which the right to receive the same is established.

**3.6.1.3. Other Income:** Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 3.7. EMPLOYEE BENEFITS

#### 3.7.1. Short Term Benefits

- i) Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.
- ii) ESI is provided on the basis of actual liabilities accrued and paid to authority.

#### 3.7.2. Other Long Term Employee Benefits

The liabilities for earned leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

#### 3.7.3. Post Employment Benefits

The Company operates the following post employment schemes :

- **Defined Contribution Plan**

Defined contribution plans such as Provident Fund, Employee State Insurance etc. are charged to the statement of profit and loss as and when incurred and paid to Authority.

- **Defined Benefit Plans (Gratuity)**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

### 3.8. GOVERNMENT GRANTS

Government grants are recognised at their fair value, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The grant relating to the acquisition/ construction of an item of property, plant and equipment are included in

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

non-current liabilities as deferred income and are credited to profit or loss on the same systematic basis as the respective assets are depreciated over their expected life and are presented within other operating income. Alternatively, the same can be presented by deducting the grant from the carrying amount of the asset.

### 3.9. FOREIGN CURRENCY TRANSACTIONS

- Foreign currency (other than the functional currency) transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
- Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

### 3.10. BORROWING COSTS

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

### 3.11. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 3.11.1. Financial Assets

- **Recognition and Initial Measurement :**

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Classification and Subsequent Measurement :**

For purposes of subsequent measurement, financial assets are classified in four categories :

- ◆ Measured at Amortized Cost;
- ◆ Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- ◆ Measured at Fair Value Through Profit or Loss (FVTPL); and
- ◆ Equity Instruments designated at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

- ◆ Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met :
  - ◆ The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
  - ◆ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

- ◆ Measured at FVTOCI : A debt instrument is measured at the FVTOCI if both the following conditions are met :
  - ▶ The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
  - ▶ The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- ◆ Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.
- ◆ Equity Instruments designated at FVTOCI: For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.
- **Derecognition:**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.
- **Impairment of Financial Assets:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 3.11.2. Financial Liabilities

- **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

- **Financial Guarantee Contracts :**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

- **Derecognition :**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

### 3.11.3. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

### 3.11.4. Derivative financial instruments:

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

### 3.12. Earnings Per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 3.13. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

### 3.14. Provisions, Contingent Liabilities and Contingent Assets

#### 3.14.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

#### 3.14.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

#### 3.14.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

### 3.15. Intangible Assets

#### 3.15.1. Recognition and Measurement

Software which is not an integral part of related hardware is treated as intangible asset and are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the statement of profit and loss in the period in which the expenditure is incurred. Development cost is recognized as asset when all the recognition criteria are met. However intangible assets are capitalised subject to satisfaction of basic criteria thereon i.e., identifiability, control and future economy benefit to flow concerned asset.

#### 3.15.2. Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 3.15.3. Amortization

- Intangible assets are amortized over a period of five years.
- The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

### 3.15.4. Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

### 3.16. Non-Current Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

### 3.17. Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Company has identified one reportable segment "Pharmaceuticals" based on the information reviewed by the CODM.

### 3.18. Recent accounting pronouncements entailing insertion/modification of new/existing accounting standards

Ind AS 116, Lease Accounting

- a) Definition of lease (financial and operating) has undergone change pursuant to mandation of new standard negating the earlier one under Ind AS 17 (dropped) for relevant accounting treatment.
- b)
  1. Ind AS 12, Income taxes – on application of appendix C on uncertainty over income tax treatments
  2. Ind AS 23, Borrowing costs – Laying down specific borrowing cost to be considered for capitalisation
  3. Ind AS 109, Financial instruments – on treatment of prepayment features with Negative Compensation
  4. Ind AS 19, Employee benefits – Dealing with Plan Amendment, Curtailment or Settlement pertaining to defined benefit plan.

The Company is in the process of evaluating the impact of such amendments.



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 4. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgments and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes :

- **Recognition of Deferred Tax Assets** : The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits.
- **Classification of Leases** : The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- **Defined Benefit Obligation (DBO)** : Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies** : The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgment by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets** : The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts** : The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount through the assessment of impairment risk. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments** : When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Sales Return** : The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates.



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 5. PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019								Net Carrying Amount
	Gross Carrying Amount				Accumulated Depreciation				
	As at 1 <sup>st</sup> April 2018	Addi- tions	Dispo- sals	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018	Depreciation charged during the Year	Deduc- tions	As at 31 <sup>st</sup> March 2019	
Leasehold Land	9.13	—	—	9.13	3.42	0.10	—	3.52	5.61
Freehold Land	3,396.00	—	—	3,396.00	—	—	—	—	3,396.00
Buildings	2,513.60	—	—	2,513.60	1,087.16	92.84	—	1,180.00	1,333.60
R & D - Buildings	96.63	—	—	96.63	30.66	6.20	—	36.86	59.77
Plant and Equipment	10,990.87	106.42	88.90	11,008.39	8,214.52	455.12	73.67	8,595.97	2,412.42
R & D - Plant and Equipment	106.51	—	—	106.51	55.86	8.63	—	64.49	42.02
Tubewell	30.34	—	—	30.34	25.01	1.37	—	26.38	3.96
Lab. Equipments & Fittings	660.11	31.65	20.64	671.12	536.44	32.41	0.02	568.83	102.29
R & D Lab.Equipments & Fittings	89.60	—	—	89.60	30.81	10.43	—	41.24	48.36
Furniture & Fixtures	549.25	3.05	2.67	549.63	405.99	30.56	2.67	433.88	115.75
R & D - Furniture & Fixtures	62.51	—	—	62.51	34.37	7.04	—	41.41	21.10
Office Equipments	77.72	1.50	1.20	78.02	61.79	5.94	1.20	66.53	11.49
R & D - Office Equipments	1.02	—	—	1.02	1.02	—	—	1.02	—
Typewriter & Duplicator	1.84	—	0.20	1.64	1.83	—	0.20	1.63	0.01
Refrigerator /Air Conditioners	77.03	0.43	0.51	76.95	54.30	4.30	0.51	58.09	18.86
Vehicles	306.74	42.96	84.37	265.33	154.30	33.26	49.71	137.85	127.48
Computer	211.78	5.53	0.38	216.93	201.91	7.11	0.38	208.64	8.29
R & D - Computer	2.49	—	—	2.49	2.18	0.19	—	2.37	0.12
Total	19,183.17	191.54	198.87	19,175.84	10,901.57	695.50	128.36	11,468.71	7,707.13

(Rs. in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2018								Net Carrying Amount
	Gross Carrying Amount				Accumulated Depreciation				
	As at 1 <sup>st</sup> April 2017	Additions	Disposals	As at 31 <sup>st</sup> March 2018	As at 1 <sup>st</sup> April 2017	Depreciation charged during the Year	Deductions	As at 31 <sup>st</sup> March 2018	
Leasehold Land	22.64	—	13.51	9.13	7.27	0.24	4.09	3.42	5.71
Freehold Land	3,396.00	—	—	3,396.00	—	—	—	—	3,396.00
Buildings	2,640.57	2.99	129.96	2,513.60	1,094.56	113.02	120.42	1,087.16	1,426.44
R & D - Buildings	96.63	—	—	96.6	24.46	6.20	—	30.66	65.97
Plant and Equipment	13,758.26	551.85	3,319.24	10,990.87	10,816.76	555.48	3,157.72	8,214.52	2,776.35
R & D - Plant and Equipment	106.51	—	—	106.51	47.23	8.63	—	55.86	50.65
Tubewell	24.62	6.29	0.57	30.34	22.46	3.12	0.57	25.01	5.33
Lab.Equipments & Fittings	664.52	12.40	16.81	660.11	511.39	41.86	16.81	536.44	123.67
R & D Lab.Equipments & Fittings	89.60	—	—	89.60	20.38	10.43	—	30.81	58.79
Furniture & Fixtures	536.39	51.08	38.22	549.25	412.04	31.00	37.05	405.99	143.26
R & D - Furniture & Fixtures	62.51	—	—	62.51	27.33	7.04	—	34.37	28.14
Office Equipments	74.28	6.17	2.73	77.72	58.67	5.83	2.71	61.79	15.93
R & D - Office Equipments	1.02	—	—	1.02	1.02	—	—	1.02	-
Typewriter & Duplicator	1.98	—	0.14	1.84	1.97	—	0.14	1.83	0.01
Refrigerator /Air Conditioners	80.69	0.74	4.40	77.03	53.69	4.63	4.02	54.30	22.73
Vehicles	343.70	—	36.96	306.74	142.03	38.83	26.56	154.30	152.44
Computer	218.31	5.19	11.72	211.78	205.09	8.52	11.70	201.91	9.87
R & D - Computer	2.49	—	—	2.49	1.91	0.27	—	2.18	0.31
Total	22,120.72	636.71	3,574.26	19,183.17	13,448.26	835.10	3,381.79	10,901.57	8,281.60

Less : Transferred to Discontinued Operation

13.89  
821.21

#### Notes :

5.1 Refer note no. 47 for information on property, plant and equipment pledged as securities by the Company.

5.2 The amount of contractual commitment for acquisition of property, plant and equipment is discussed in Note no. 44.2.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 6. INTANGIBLE ASSETS

(Rs. in Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March, 2019								Net Carrying Amount
	Gross Carrying Amount				Accumulated Depreciation				
	As at 1 <sup>st</sup> April 2018	Additions	Disposals	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018	Depreciation charged during the Year	Deductions	As at 31 <sup>st</sup> March 2019	
Computer Software	6.06	1.23	—	7.29	3.42	2.30	—	5.72	1.57
<b>Total</b>	6.06	1.23	—	7.29	3.42	2.30	—	5.72	1.57

Particulars	Year Ended 31 <sup>st</sup> March, 2018								Net Carrying Amount
	Gross Carrying Amount				Accumulated Depreciation				
	As at 1 <sup>st</sup> April 2017	Addi- tions	Dispo- sals	As at 31 <sup>st</sup> March 2018	As at 1 <sup>st</sup> April 2017	Depreciation charged during the Year	Deduc- tions	As at 31 <sup>st</sup> March 2018	
Computer Software	5.13	0.93	—	6.06	1.53	1.89	—	3.42	2.64
<b>Total</b>	5.13	0.93	—	6.06	1.53	1.89	—	3.42	2.64

6.1 The amount of contractual commitment for acquisition of intangible assets is discussed in Note no. 44.2.

### 7. NON - CURRENT INVESTMENTS

(Fully Paid up Shares)

(Rs. in Lakhs)

Particulars	Face Value	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
	(Rs.)	Qty Amount	Qty Amount
<b>INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>			
<b>Investments in Unquoted Equity Instruments</b>			
Bharat Fritz Werner Limited	2	1,642,034 1,927.09	1,642,034 1,674.55
Kothari Phytochemicals & Industries Limited	10	190,000 215.84	190,000 215.84
Shiela Mahal Co-Operative Housing Society Limited	50	5 0.01	5 0.01
Mangal Karini Co-operative Society Limited	50	5 0.01	5 0.01
		<u>2,142.95</u>	<u>1,890.41</u>
<b>Aggregate Amount of Unquoted Investments</b>		<b>2,142.95</b>	<b>1,890.41</b>

### 8. LOANS - NON-CURRENT

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Security Deposit (Unsecured)</b>		
Considered good	245.02	250.05
Having significant increase in credit risk	—	—
Credit impaired	5.93	9.61
<b>Total</b>	<u>250.95</u>	<u>259.66</u>
Less : Allowance for doubtful security deposit	5.93	9.61
<b>Total Non-Current Loans</b>	<u>245.02</u>	<u>250.05</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 9. OTHERS FINANCIAL ASSETS-NON-CURRENT

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Fixed Deposits (Escrow Account)	—	133.32
	<u>—</u>	<u>133.32</u>

### 10. NON-CURRENT TAX ASSETS (NET)

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Advance Income Tax & TDS	658.82	658.29
Less : Provision for Tax	413.00	413.00
	<u>245.82</u>	<u>245.29</u>

### 11. DEFERRED TAX ASSET (NET)

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Deferred Tax Assets</b>		
Arising on account of :		
Provision for Doubtful Debts (ECL Model)	6.97	7.92
Provision for unencashed leave	465.84	451.28
Provision for expected sales return	124.22	112.59
Employee Benefit Payable	26.13	34.84
Others	—	12.07
<b>Sub-total</b>	<u>623.16</u>	<u>618.70</u>
<b>Less : Deferred Tax Liabilities</b>		
Arising on account of :		
Property, Plant & Equipments & Intangible Assets	604.74	123.59
Current Investments	43.94	37.30
Non-Current Investments	13.52	—
Research & Development	59.89	71.24
<b>Sub-total</b>	<u>722.09</u>	<u>232.13</u>
<b>Deferred Tax Asset (Net)</b>	<u>(98.93)</u>	<u>386.57</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 11.1 Movement in deferred tax asset and deferred tax liabilities during the year ended 31<sup>st</sup> March, 2108 and 31<sup>st</sup> March, 2019

(Rs. in Lakhs)				
Particulars	As at 1 <sup>st</sup> April, 2017	Recognized in Statement of Profit & Loss	Recognized in Other Comprehensive Income	As at 31 <sup>st</sup> March, 2018
<b>Deferred Income Tax Assets</b>				
Provision for Doubtful Debts (ECL Model)	20.28	(12.36)	—	7.92
Provision for unencashed leave	422.78	28.50	—	451.28
Provision for expected sales return	117.63	(5.04)	—	112.59
Employee Benefit Payable	—	34.84	—	34.84
Others	51.35	(39.28)	—	12.07
	612.04	6.66	—	618.70
<b>Deferred Income Tax Liabilities</b>				
Property, Plant & Equipments & Intangible Assets	3.91	(119.68)	—	123.59
Current Investments	109.41	72.11	—	37.30
Research & Development	81.83	10.59	—	71.24
	195.15	(36.98)	—	232.13
	416.89	(30.32)	—	386.57

(Rs. in Lakhs)				
Particulars	As at 1 <sup>st</sup> April, 2018	Recognized in Statement of Profit & Loss	Recognized in Other Comprehensive Income	As at 31 <sup>st</sup> March, 2019
<b>Deferred Income Tax Assets</b>				
Provision for Doubtful Debts (ECL Model)	7.92	(0.95)	—	6.97
Provision for unencashed leave	451.28	14.56	—	465.84
Provision for expected sales return	112.59	11.63	—	124.22
Employee Benefit Payable	34.84	(8.71)	—	26.13
Others	12.07	(12.07)	—	—
	618.70	4.46	—	623.16
<b>Deferred Income Tax Liabilities</b>				
Property, Plant & Equipments & Intangible Assets	123.59	(481.15)	—	604.74
Current Investments	37.30	(6.64)	—	43.94
Non-Current Investments	—	—	(13.52)	13.52
Research & Development	71.24	11.35	—	59.89
	232.13	(476.44)	(13.52)	722.09
	386.57	(471.98)	(13.52)	(98.93)

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 12. OTHER NON-CURRENT ASSETS

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
(Unsecured & considered good)		
Capital Advances	42.01	26.36
<b>Advances other than Capital Advances</b>		
Prepaid Expenses	15.32	7.55
<b>Total Other Non-Current Assets</b>	<b>57.33</b>	<b>33.91</b>

### 13. INVENTORIES

(At lower of cost or net realisable value)

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Raw Materials	843.45	712.28
Work-in-Progress	338.95	439.75
Finished Goods	1558.84	1,605.78
Stock-in-Trade	370.55	354.87
Store and Spares	385.16	391.69
Containers & Packing Materials	903.38	795.16
Loose Tools	—	1.41
Scrap	5.45	19.71
	<b>4,405.78</b>	<b>4,320.65</b>

#### 13.1 The above includes goods-in-transit as under:

Raw Materials	179.20	67.31
Finished Goods	15.32	294.13
Stock-in-Trade	12.87	31.11
Store and Spares	1.00	5.68
Containers & Packing Materials	134.06	116.77
	<b>342.45</b>	<b>515.00</b>

#### 13.2 The above includes amount related to discontinued operations:

Finished Goods	—	6.58
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#### 13.3 Refer note no. 47 for information on inventories pledged as securities by the Company.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 14. CURRENT INVESTMENTS

(Rs. in Lakhs)					
Particulars	Face Value (Rs.)	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
		Qty	Amount	Qty	Amount
<b>INVESTMENTS AT FAIR VALUE THROUGH PROFIT &amp; LOSS</b>					
<b>Investments in unquoted Mutual Funds</b>					
ICICI Pru Equity & Debt Fund - Growth	10	377,818.96	507.94	377,818.96	471.86
HDFC Hybrid Equity Fund - Growth	10	928,214.35	505.36	323,435.07	471.58
ABSL Equity Hybrid'95 - Growth	10	63,391.82	482.03	63,391.82	467.21
UTI Hybrid Equity Fund - Growth	10	187,871.27	319.33	187,871.27	310.07
DSP BR Equity & Bond Fund - Growth	10	217,157.63	329.22	217,157.63	309.30
Reliance Hybrid Equity Fund - Growth	10	591,229.55	325.84	591,229.55	315.33
Kotak Balanced Fund - Growth	10	—	—	1,287,092.94	306.39
Franklin India Hybrid Equity Fund - Growth	10	266,105.28	321.62	266,105.28	298.94
HDFC Floating Rate Income Fund -STP	10	39,456.47	12.83	39,456.47	11.93
ICICI Pru Savings Fund - Growth	100	77,607.77	278.40	77,607.77	258.53
ABSL Savings Fund - Growth	100	74,018.32	273.23	74,018.32	252.92
Kotak Overnight Fund - Growth	1000	30,045.19	304.19	—	—
DSP BR Credit Risk Fund - Growth	10	—	—	441,264.77	126.18
UTI Income Opportunities Fund - Growth	10	—	—	667,908.98	105.84
HDFC Regular Savings Fund - Growth	10	—	—	305,911.43	105.34
Reliance RSF Debt Fund - Growth	10	—	—	523,128.30	126.64
ICICI Pru Regular Savings Fund - Growth	10	—	—	683,025.58	126.80
Birla Sunlife Medium Term Plan - Growth	10	—	—	655,915.89	144.06
HDFC Small Cap Fund -Regular - Growth	10	253,622.33	113.21	253,622.33	112.18
Franklin India Smaller Co Fund - Growth	10	165,581.64	91.13	165,581.64	97.48
DSP Mid Cap - Regular - Growth	10	116,061.17	63.74	116,061.17	63.38
SBI Magnum Insta Cash Fund - DDR	1000	—	—	24,829.80	415.91
SBI Liquid Fund - Daily Dividend Plan	1000	444,589.22	4,460.34	—	—
Axis Banking & PSU Debt Fund	1000	14,618.79	255.49	—	—
IDFC Banking & PSU Debt Fund	10	1,589,498.09	255.57	—	—
L & T Short Term Bond Fund	10	1,431,691.47	255.55	—	—
			<b>9,155.02</b>		<b>4,897.87</b>
<b>Aggregate Amount of Unquoted Investments</b>			<b>9,155.02</b>		<b>4,897.87</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 15. TRADE RECEIVABLES

Particulars	Refer Note No.	(Rs. in Lakhs)	
		Current As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Trade Receivables	15.1, 15.2 & 15.3	2,269.49	2,744.41
	2,269.49	2,744.41	
Less : Allowance for Doubtful Receivable		14.25	12.84
<b>Total Trade Receivables</b>		<b>2,255.24</b>	<b>2,731.57</b>
Break Up of Trade Receivables			
Secured, considered good		95.32	113.71
Unsecured, considered good		2,159.92	2,617.86
Having increase in Credit risk		—	—
Credit impaired		14.25	12.84
		2,269.49	2,744.41
Less: Allowance for Doubtful Receivables		14.25	12.84
<b>Total Trade Receivables</b>		<b>2,255.24</b>	<b>2,731.57</b>

- 15.1** Trade receivables are non-interest bearing and are generally on terms of 21 to 30 days.
- 15.2** No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- 15.3** Refer note no. 47 for information on trade receivables pledged as securities by the Company.

### 16. CASH AND CASH EQUIVALENTS

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Balances With Banks :		
In Current Account	674.53	2,533.34
Cash in Hand	5.22	9.19
Remittance in Transit	5.70	—
	<b>685.45</b>	<b>2,542.53</b>

### 17. BANK BALANCES (OTHER THAN NOTE: 16)

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Balance in Unpaid Dividend Account	27.13	23.76
	<b>27.13</b>	<b>23.76</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 18. LOAN - CURRENT

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Security Deposit (Unsecured)</b>		
Considered good	53.47	69.35
	<u>53.47</u>	<u>69.35</u>
<b>Loans to related parties (Unsecured)</b>		
Considered good	1,385.00	1,665.00
	<u>1,385.00</u>	<u>1,665.00</u>
<b>Other Loans and Advances (Unsecured)</b>		
Considered good		
Loan / Advance to Employees	11.76	22.48
	<u>11.76</u>	<u>22.48</u>
<b>Total Current Loans</b>	<b><u>1,450.23</u></b>	<b><u>1,756.83</u></b>

### 19. OTHERS FINANCIAL ASSETS-CURRENT

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Interest accrued on Fixed deposit / Loan	5.33	40.97
Derivative Contracts	—	41.56
	<u>5.33</u>	<u>82.53</u>

### 20. CURRENT TAX ASSETS (NET)

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Advance Income Tax & TDS	3,350.44	3,526.17
Less : Provision for Tax	3,217.21	3,422.21
	<u>133.23</u>	<u>103.96</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 21. OTHER CURRENT ASSETS

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
(Unsecured & considered good)		
<b>Advances other than Capital Advances</b>		
Advances to Suppliers & Service Providers	87.62	94.17
Balances with Government & Statutory Authorities	396.75	567.69
Prepaid Expenses	31.72	58.70
<b>Total Other Current Assets</b>	<b>516.09</b>	<b>720.56</b>

### 22. EQUITY SHARE CAPITAL

Particulars	(Rs. in Lakhs)			
	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
<b>22.1 Authorised Share Capital</b>				
<b><u>Equity Shares :</u></b>				
Ordinary Shares of Rs. 10/- each	9,700,000.00	970.00	9,700,000.00	970.00
<b><u>Preference Shares :</u></b>				
Redeemable Cumulative Shares of Rs. 100/- each	30,000.00	30.00	30,000.00	30.00
	<b>9,730,000.00</b>	<b>1,000.00</b>	<b>9,730,000.00</b>	<b>1,000.00</b>
<b>22.2 Issued Share Capital</b>				
Ordinary Shares of Rs. 10/- each	5,707,162.00	570.72	5,707,162.00	570.72
	<b>5,707,162.00</b>	<b>570.72</b>	<b>5,707,162.00</b>	<b>570.72</b>
<b>22.3 Subscribed and Paid-up Share Capital</b>				
Ordinary Shares of Rs. 10/- each fully paid-up	5,707,162.00	570.72	5,707,162.00	570.72
	<b>5,707,162.00</b>	<b>570.72</b>	<b>5,707,162.00</b>	<b>570.72</b>

### 22.4 Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

### 22.5 Terms/ Rights attached to Equity Shares :

The Company has only one class of issued shares i.e. Ordinary Shares having par value of Rs. 10/- per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for dividend. The

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

### 22.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

### 22.7 Details of Equity Shareholders holding more than 5% shares in the Company

Particulars	(Rs. in Lakhs)			
	As at		As at	
	31 <sup>st</sup> March, 2019		31 <sup>st</sup> March, 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Ordinary Shares of Rs. 10/- each fully paid</b>				
M/S Vishnuhari Investments & Prop.Ltd.	1,139,875.00	19.97%	1,139,875.00	19.97%
Mr. Anand Vardhan Kothari	553,500.00	9.70%	553,500.00	9.70%
M/s Commercial House Private Limited	400,334.00	7.01%	400,334.00	7.01%
M/S Kothari & Co.Private Limited	398,341.00	6.98%	398,341.00	6.98%
M/S M D Kothari & Company Limited	393,694.00	6.90%	393,694.00	6.90%
M/S Kothari Investment & Industries Pvt.Ltd.	313,900.00	5.50%	313,900.00	5.50%

**22.8** No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

**22.9** No Ordinary Shares have been bought back by the Company during the period of 5 years preceeding the date as at which the Balance Sheet is prepared.

**22.10** No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

**22.11** No calls are unpaid by any Director or Officer of the Company during the year.

### 23. OTHER EQUITY

Particulars	Refer Note No.	(Rs. in Lakhs)	
		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Capital Reserve	23.1	13.88	13.88
Capital Redemption Reserve	23.2	8.45	8.45
Securities Premium	23.3	314.72	314.72
General Reserve	23.4	12,881.84	12,881.84
Retained Earnings	23.5	6,991.47	4,780.58
Other Reserve	23.6	263.49	24.47
		<b>20,473.85</b>	<b>18,023.94</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### Nature/ Purpose of each reserve

- a) Capital Reserve: During amalgamation / merger / acquisition, the excess of net assets acquired, over the consideration paid, if any, is treated as capital reserve. The purpose of this reserve is to accommodate future merger/demerger or business combination of other nature.
- b) Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of preference shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the preference shares redeemed. The purpose of this reserve is for issuance of bonus share as and when declared.
- c) Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. The purpose of this reserve is for issuance of bonus share as and when declared or amortisation of preliminary expenses.
- d) General Reserve: The reserve arises on transfer from retained earning / statement of Profit & Loss. The purpose of retention of such reserve is for identification of free reserve for use of same when deemed necessary in ways the preview as authorised by Companies' Act/Rule including issuance of bonus shares.
- e) Retained Earning: Retained earnings generally represents the undistributed profit/ accumulated over the years. The balance has been retained for further distribution as dividend as and when declared.
- f) Other Reserve:
  - i) Equity Instrument through OCI: The Company has recognised changes in the fair value of certain investments in equity instrument (net of deferred tax applicable thereon) in other comprehensive income for the purpose of utilising same at the point of disposal of relevant investment as and when done at a future date.
  - ii) Remeasurement of Defined Benefit Plans: The Company has recognised remeasurement gain/(loss) of defined benefit plans in OCI.

		(Rs. in Lakhs)	
		As at	As at
Particulars	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	
<b>23.1 Capital Reserve</b>			
Balance at the beginning and at the end of the year	<u>13.88</u>	<u>13.88</u>	
<b>23.2 Capital Redemption Reserve</b>			
Balance at the beginning and at the end of the year	<u>8.45</u>	<u>8.45</u>	
<b>23.3 Securities Premium</b>			
Balance at the beginning and at the end of the year	<u>314.72</u>	<u>314.72</u>	
<b>23.4 General Reserve</b>			
Balance at the beginning and at the end of the year	<u>12,881.84</u>	<u>12,881.84</u>	

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

Particulars	(Rs. in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>23.5 Retained Earnings</b>		
Balance at the beginning of the year	4,780.58	4,487.22
Add : Profit for the year	2,663.99	984.08
	<u>7,444.57</u>	<u>5,471.30</u>
Less : Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of tax)	74.66	312.91
	<u>74.66</u>	<u>312.91</u>
Less Dividend & Dividend Distribution Tax	378.44	377.81
Balance at the end of the year	<u>6,991.47</u>	<u>4,780.58</u>
<b>23.6 Other Reserve</b>		
<b>Equity instrument through other Comprehensive income</b>		
Balance at the beginning of the year	24.47	24.47
Add/(Less): Change in Fair value	252.54	—
Add/(Less): Deferred Tax	(13.52)	—
Balance at the end of the year	<u>263.49</u>	<u>24.47</u>
<b>Total Other Reserve</b>	<u>263.49</u>	<u>24.47</u>
<b>Total Reserve &amp; Surplus</b>	<u>20,473.85</u>	<u>18,023.94</u>

## 24 OTHER FINANCIAL LIABILITIES-NON-CURRENT

Particulars	Refer Note No.	(Rs. in Lakhs)	
		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Deposit (Cover Money) Stockist	24.1	456.63	457.21
Rent Outstanding		15.90	15.03
		<u>472.53</u>	<u>472.24</u>

- 24.1** Deposit (Cover Money) from Stockist are retained with company till continuation of principal stockist relationship.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 25. PROVISIONS-NON-CURRENT

	(Rs. in Lakhs)	
Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Provision for Employee Benefits</b>		
Leave encashment	1,006.33	974.39
	<u>1,006.33</u>	<u>974.39</u>

### 26. SHORT TERM BORROWINGS

	(Rs. in Lakhs)	
Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Secured</b>		
Loan from Banks		
Working Capital loans repayable on demand	44.24	1,471.80
Short Term Loan	—	1,291.70
(Under Buyer's Credit arrangement in Foreign Currency)		
	<u>44.24</u>	<u>2,763.50</u>

#### 26.1 Details of Security Given for Loan

Borrowings from State Bank of India are secured by hypothecation of Inventories, Book Debts and charge on Fixed Assets of the company.

#### 26.2 Refer note no. 47 for information on the carrying amounts of financial and non-financial assets pledged as security for current borrowings.

### 27. TRADE PAYABLES

	(Rs. in Lakhs)	
Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Trade Payables for goods and services		
Total outstanding dues of micro enterprises and small enterprises	14.08	19.92
Total outstanding dues of creditor other than micro enterprises and small enterprises	3,292.35	3,155.49
	<u>3,306.43</u>	<u>3,175.41</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 28. OTHER FINANCIAL LIABILITIES-CURRENT

Particulars	Refer Note No.	As at 31 <sup>st</sup> March, 2019	(Rs. in Lakhs) As at 31 <sup>st</sup> March, 2018
Amount payable for Capital Goods		23.31	32.24
Refundable Security Deposit		51.14	108.31
Interest accrued but not due on Borrowings		—	2.94
Unpaid dividends	28.1	27.13	23.76
Employees related dues		1,477.32	962.36
		<u>1,578.90</u>	<u>1,129.61</u>

28.1 There is no amount due for payment to the Investor Education and Protection Fund at the end of the year.

### 29. OTHER CURRENT LIABILITIES

Particulars	As at 31 <sup>st</sup> March, 2019	(Rs. in Lakhs) As at 31 <sup>st</sup> March, 2018
Statutory Dues Payable	192.73	163.65
Advances Received from Customers	176.72	156.59
Other Liabilities	39.15	39.15
	<u>408.60</u>	<u>359.39</u>

### 30. PROVISIONS-CURRENT

Particulars	As at 31 <sup>st</sup> March, 2019	(Rs. in Lakhs) As at 31 <sup>st</sup> March, 2018
<b>Provision for Employee Benefits</b>		
Gratuity	81.25	539.63
Bonus	234.83	237.02
Leave encashment	326.76	317.04
<b>Other Provision</b>		
Provision for expected sales return	358.77	325.45
	<u>1,001.61</u>	<u>1,419.14</u>

### 31. CURRENT TAX LIABILITY (NET)

Particulars	As at 31 <sup>st</sup> March, 2019	(Rs. in Lakhs) As at 31 <sup>st</sup> March, 2018
Provision for tax	5,065.88	3,750.98
Less : Advance Income Tax	4,489.02	3,664.84
	<u>576.86</u>	<u>86.14</u>



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 32. REVENUE FROM OPERATIONS

	(Rs. in Lakhs)	
Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>Revenue From Operations</b>		
Sale of Finished Goods	31,270.41	28,710.87
	<u>31,270.41</u>	<u>28,710.87</u>
<b>Other Operating Revenues</b>		
Manufacturing & Other Scrap	186.95	149.66
Export Incentive	231.74	38.80
	<u>418.69</u>	<u>188.46</u>
	<u>31,689.10</u>	<u>28,899.33</u>

### 33. OTHER INCOME

	(Rs. in Lakhs)	
Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>Interest Income at amortised cost</b>		
On Bank Deposits	3.68	9.42
On Inter Corporate Deposits and Others	182.45	126.62
<b>Dividend Income</b>		
On equity investment designated at FVOCI	5.70	—
On mutual fund measured at FVTPL	162.43	27.71
<b>Other Non Operating Income</b>		
Net Gain on Investment classified at FVTPL	200.33	223.65
Net Gain on Derivatives at FVTPL	—	112.39
Net Gain on Sale of Investment classified at FVTPL	10.25	41.99
Profit on Sale of Fixed Assets (Net)	—	282.88
Exchange Gain (Net)	33.60	—
Excess Provision on Doubtful Loan written back	3.69	9.71
Excess Provision on Doubtful Trade Receivables written back	—	25.86
Liabilities Written Back	42.02	14.44
Guarantee Commission Received	—	0.61
Claim Receipts	19.54	3.80
Miscellaneous Receipts	14.85	11.75
	<u>678.54</u>	<u>890.83</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	For the year ended 31 <sup>st</sup> March, 2019	(Rs. in Lakhs) For the year ended 31 <sup>st</sup> March, 2018
<b>34. COST OF MATERIALS CONSUMED</b>		
<b>Particulars</b>		
Raw Material	2,715.77	2,638.33
Packing Material	3,181.34	3,250.59
	<u>5,897.11</u>	<u>5,888.92</u>
<b>35. PURCHASE OF STOCK - IN -TRADE</b>		
		(Rs. in Lakhs)
<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>	<b>For the year ended 31<sup>st</sup> March, 2018</b>
Purchases of Stock -in- Trade	4,646.24	3,212.95
	<u>4,646.24</u>	<u>3,212.95</u>
<b>36. (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
		(Rs. in Lakhs)
<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>	<b>For the year ended 31<sup>st</sup> March, 2018</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	1,599.20	1,518.33
Stock-in-Trade	354.87	587.34
Work in progress	439.75	279.42
	<u>2,393.82</u>	<u>2,385.09</u>
<b>Inventories at the end of the year</b>		
Finished Goods	1,558.84	1,599.20
Stock-in-Trade	370.55	354.87
Work in progress	338.95	439.75
	<u>2,268.34</u>	<u>2,393.82</u>
<b>Total changes in inventories of work-in-progress, stock-in-trade and finished goods</b>	<u>125.48</u>	<u>(8.73)</u>

**36.1** Refer Note No.13.2 for finished goods relate to discontinued operations.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 37 EMPLOYEE BENEFITS EXPENSE

(Rs. in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Salaries, Wages & Bonus	7,362.46	7,006.49
Gratuity	186.02	132.25
Contribution to Provident & Other Funds	614.24	588.42
Staff Welfare Expenses	786.02	726.38
	<u>8,948.74</u>	<u>8,453.54</u>

### 38. FINANCE COST

(Rs. in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Interest Expenses	39.09	44.92
Other Borrowing Costs	22.65	40.96
	<u>61.74</u>	<u>85.88</u>

### 39. DEPRECIATION AND AMORTIZATION EXPENSES

(Rs. in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
On Tangible Assets	695.50	821.21
On Intangible Assets	2.30	1.89
	<u>697.80</u>	<u>823.10</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 40. OTHER EXPENSES

Particulars	For the year ended 31 <sup>st</sup> March, 2019	(Rs. in Lakhs) For the year ended 31 <sup>st</sup> March, 2018
<b>Manufacturing, Administrative &amp; Selling Expenses</b>		
Stores Consumed	159.30	143.73
Power & Fuel	1,238.97	1,218.39
Increase / (Decrease) in Excise Duty component of non duty paid finished goods	—	(53.30)
Excise Duty	—	153.95
Carriage Inward	137.72	127.25
Rent	195.99	202.78
Rates & Taxes	11.30	13.87
Repairs & Renewals :		
Building	35.15	71.28
Plant & Machinery	314.00	273.47
Others	82.57	100.66
Insurance	55.56	57.94
Miscellaneous Expenses	70.31	81.75
Travelling, Conveyance & Vehicle Upkeep	162.53	134.87
Research & Development expenses (Refer Note No.45)	257.57	270.14
Quality Control & Assurance Expenses	58.71	53.58
Electricity	37.64	38.91
Bank Charges & Guarantee Commission	24.35	14.82
Communication Expenses	41.53	42.33
Printing & Stationery	32.67	33.81
Law Charges	4.33	14.00
Service Charges	387.99	415.81
Professional Service Charges	94.70	76.98
Donation	200.50	200.25
Processing Charges	75.51	66.94
Export Expenses	315.52	448.10
Field Personnel Expenses	1,667.01	1,454.88
Freight, Forwarding & Transportation	985.93	801.82
Sales Promotion Expenses	981.15	1,057.26
Sample Distribution (Refer Note No.60 )	1,044.22	1,045.44
Commission	261.80	174.52
Directors' Meeting Fees	10.00	7.00
Sales / Service / Goods & Service Tax	59.56	212.03
Net (Gain)/ Loss on Foreign Currency Transactions	—	131.87
Corporate Social Responsibility Expenditure (Refer Note No.51)	40.26	41.69
Provision for Doubtful Receivables	1.41	—
Bad Debts & Advances Written Off	—	41.55
Loss on Sale of Fixed Assets (Net)	7.94	—
Net (Gain)/ Loss on Derivatives at FVTPL	41.56	—
Cost Audit Fees	0.40	0.40
Payment to the Auditors : (Net of Tax)		
Audit Fees	4.00	4.00
Tax Audit Fees	0.37	0.37
Other Services	2.70	3.15
Reimbursement of Expenses	2.68	1.82
	<b>9,105.41</b>	<b>9,180.11</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 41. TAX EXPENSE

		(Rs. in Lakhs)
Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Current Tax	1,132.69	764.30
Deferred Tax	(20.00)	41.87
	<u>1,112.69</u>	<u>806.17</u>

#### 41.1 Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of profit and loss

		(Rs. in Lakhs)
Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Profit from before income tax expense		
Continuing Operation	2,885.12	2,154.39
Discontinued Operation	1400.85	-561.39
<b>Total</b>	<u>4,285.97</u>	<u>1,593.00</u>
Indian Statutory Income Tax rate*	<u>34.94%</u>	<u>34.61%</u>
Estimated Income Tax Expense	1497.70	551.31
<i>Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense</i>		
Effect of Tax Allowance	(72.15)	(45.01)
Effect of Deferred Tax created at different rate	7.03	0.46
Effect of expenses not deductible	157.99	120.98
Others	31.41	(18.82)
	<u>1621.98</u>	<u>608.92</u>
Income tax expense in Statement of Profit & Loss		
Continuing Operation	1,112.69	806.17
Discontinued Operation	509.29	-197.25
<b>Total</b>	<u>1,621.98</u>	<u>608.92</u>

\* Applicable Indian Statutory Income Tax rate for Fiscal Year 2018-2019 is 34.944% & 2017-2018 is 34.608%.

### 42. DISCONTINUED OPERATIONS

		(Rs. in Lakhs)
Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Total Income from operations	1,501.79	348.17
Total Expenses	100.94	909.56
Profit/(Loss) before Tax	1,400.85	(561.39)
Tax Expenses	(509.29)	197.25
Profit/ (Loss) from discontinued operations	<u>891.56</u>	<u>(364.14)</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 43. EARNING PER SHARE

Particulars	For the year ended 31 <sup>st</sup> March, 2019	(Rs. in Lakhs) For the year ended 31 <sup>st</sup> March, 2018
Nominal Value of Equity Shares (Rs.)	10	10
Profit attributed to the Equity shareholders of the Company		
- Continuing & Discontinued Operations	2,663.99	984.08
- Continuing Operations	1,772.43	1348.22
- Discontinued Operations	891.56	-364.14
Weighted average number of equity shares	5707162	5707162
Basic and diluted earning per shares (Rs.)		
- Continuing & Discontinued Operations	46.68	17.24
- Continuing Operations	31.06	23.62
- Discontinued Operations	15.62	-6.38
There are no dilutive equity shares in the Company.		

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 44. CONTINGENT LIABILITIES, CONTINGENT ASSETS & COMMITMENT TO THE EXTENT NOT PROVIDED FOR :

#### 44.1 Contingent Liabilities

(Rs. in Lakhs)

Sl. No.	Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
	<b>Claims/Disputes/Demands not acknowledged as debts -</b>		
i.	Income Tax Matters	118.81	93.63
ii.	Excise Matters	3.83	253.13
iii.	Sales Tax/ VAT Matters	13.94	17.09
iv.	Others	157.33	134.64

Note:- In respect of above, future cash flows are determinable only on receipt of judgements pending at various forums/ authorities which in the opinion of the Company is not tenable and there is no possibility of any reimbursement in case of above.

#### 44.2 Commitments

(Rs. in Lakhs)

Sl. No.	Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
i.	Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances amount Rs.42.01, Previous year Rs.26.36)	71.77	37.65

### 45. RESEARCH AND DEVELOPMENT EXPENSES INCLUDES EXPENSES UNDER THE FOLLOWING HEADS :

(Rs. in Lakhs)

Particulars	2018-19	2017-18
<b>Revenue Expenditure</b>		
Salary & Wages	170.63	165.29
Gratuity	8.53	21.26
Contribution to Provident Fund	14.25	16.37
Staff Welfare	13.37	15.16
Travelling, Conveyance & Vehicle Upkeep	9.34	9.68
Power & Fuel	24.09	25.18
Postage, Telegram & Telephones	0.40	0.77
Stores Consumed	6.48	3.88
Cost of Materials Consumed	1.01	3.41
Repairs & Renewals :		
Machinery	7.52	1.71
Building	—	0.10
Others	0.21	0.10
Outside Testing / Development Charges & Contribution for R & D	—	1.68
Miscellaneous Expenses	1.74	5.55
<b>Sub-total</b>	<b>257.57</b>	<b>270.14</b>
<b>Capital Expenditure</b>	—	—
<b>Sub-total</b>	—	—
<b>Total Expenditure</b>	<b>257.57</b>	<b>270.14</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 46. MOVEMENT OF PROVISION

(Rs. in Lakhs)

Particulars	Employee Benefit	Expected Sales Return
As on 1 <sup>st</sup> April, 2017	1634.04	339.91
Add/(less): Created/ (Utilised)	434.04	(14.46)
As on 31 <sup>st</sup> March, 2018	2,068.08	325.45
Add/(less): Created/ (Utilised)	418.90	33.32
As on 31 <sup>st</sup> March, 2019	1,649.17	358.77

### 47. ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current are:

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Current</b>		
<b>Financial assets</b>	2,255.24	12,829.80
<b>First charge</b>		
Trade Receivables	2,255.24	2,731.57
Cash and cash equivalents	–	2,542.53
Receivables & Current Investments	–	7,555.70
<b>Non-financial assets</b>	4,405.78	4,320.65
<b>First charge</b>		
Inventories	4,405.78	4,320.65
<b>Total current assets pledged as security</b>	6,661.02	17,150.45
<b>Non-current</b>		
<b>First charge</b>		
Property, Plant & equipments including Capital WIP	8,212.81	8,806.28
<b>Total non-currents assets pledged as security</b>	8,212.81	8,806.28
<b>Total assets pledged as security</b>	14,873.83	25,956.73

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

- 48. Disclosure as required under the micro, small and medium enterprises development act, 2006, to the extent ascertained, and as per notification number GSR 679 (E) dated 4<sup>th</sup> September, 2015**

(Rs. in Lakhs)

Sl. No.	Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
i	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	14.08	19.92
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
iii	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil

### 49 OPERATING LEASES

#### 49.1 As Lessee

The Company has certain operating leases for, premises (Office and Godowns) which include both cancellable and non-cancellable leases, range between 6 years to 9 years generally and are usually renewable by mutual consent on mutually agreeable terms. With respect to non-cancellable operating lease, the future minimum lease payment at the balance sheet date is as under.

##### 49.1.1 Future Minimum Lease Payments

At 31<sup>st</sup> March, the future minimum lease payments to be made under non-cancellable operating leases are as follows :

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Payables within one year	31.18	28.81
Payables later than one year but not later than five years	136.04	131.36
Payables later than five years	20.92	56.78

##### 49.1.2 Amounts recognized in Profit or Loss

(Rs. in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Total rental expense relating to operating leases	195.99	202.78

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 50. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD - 19 'EMPLOYEE BENEFITS' AS NOTIFIED U/S 133 OF THE COMPANIES ACT, 2013 READ WITH RULE 7 OF COMPANIES (ACCOUNTS) RULES, 2014 (AS IDENTIFIED & CERTIFIED BY THE MANAGEMENT)

#### 50.1 Defined Contribution Plan :

The amount recognized as an expense for the Defined Contribution Plans are as under :

(Rs. in Lakhs)

Sl. No.	Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
a	Provident Fund	623.70	631.73
b	Employee State Insurance Scheme	37.52	39.79

#### 50.2 Defined Benefit Plan :

The following are the types of defined benefit plans

##### 50.2.1 Gratuity Plan

Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

##### 50.2.2 Provident Fund

Provident Fund (other than government administered) as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

##### 50.2.3 Risk Exposure

In respect of its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below :

<b>INTEREST RATE RISK</b>	The Defined Benefit Obligation calculation uses a discount rate based on government bonds. If bonds yield fall, the defined benefit obligation will increase.
<b>SALARY GROWTH RISK</b>	The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of plan participants will increase the plan liabilities.
<b>DEMOGRAPHIC RISK</b>	This is the risk of variability of results due to unsystematic nature of variables that include mortality, withdrawal, disability and retirement. The effect of these variables on the defined benefit obligation is not straight forward and depends upon the combination of factors drawing weightage from salary increase, discount rate and vesting criteria.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 50.2.4 Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components :

(Rs. in Lakhs)

Particulars	Gratuity	
	2018-19	2017-18
Balance at the beginning of the year	3,491.99	2,913.88
Current Service Cost	180.55	173.12
Interest Cost on Defined Benefit Obligation	253.25	215.03
Actuarial Gain and Losses arising from		
Changes in demographic assumptions	—	—
Changes in financial assumptions	16.57	(52.76)
Experience Adjustment	119.63	521.43
Benefits Paid from the Plan Assets	(405.91)	(278.71)
Balance at the end of the year	3,656.08	3,491.99

### 50.2.5 Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components :

(Rs. in Lakhs)

Particulars	Gratuity	
	2018-19	2017-18
Balance at the beginning of the year	2952.35	2735.78
Interest Income on Plan Assets	227.33	212.02
Remeasurement of Defined Benefit Obligation :		
Return on plan assets greater/ (lesser) than discount rate	21.42	(9.85)
Employer Contributions to the Plan	779.64	293.10
Benefits Paid from the Plan Assets	(405.91)	(278.70)
Balance at the end of the year	3574.83	2952.35

### 50.2.6 Expenses recognized in profit or loss

(Rs. in Lakhs)

Particulars	Gratuity	
	2018-19	2017-18
Current Service Cost	180.55	173.12
Interest Cost	253.25	215.03
Interest Income on Plan Assets	(227.33)	(212.02)

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 50.2.7 Remeasurements recognized in other comprehensive income

(Rs. in Lakhs)

Particulars	Gratuity	
	2018-19	2017-18
Actuarial (gain)/ Loss on defined benefit obligation	136.20	468.66
Return on plan assets greater/ (lesser) than discount rate	(21.43)	9.85

### 50.2.8 Major Categories of Plan Assets

(Rs. in Lakhs)

Particulars	Gratuity	
	2018-19	2017-18
Qualified Insurance Policy	100.00%	100.00%

The Gratuity Scheme is invested in a Group Gratuity policy offered by Life Insurance Corporation of India. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for returns over the entire life of the related obligation.

### 50.2.9 Asset-Liability Matching Strategy

The company investments are being managed by Life Insurance Company and at the year end interest is being credited to the fund value. The company has not changed the process used to manage its risk from previous periods. The Company's investments are fully secured and would be sufficient to cover its obligations.

### 50.2.10 Actuarial Assumptions

(Rs. in Lakhs)

Particulars	Gratuity	
	2018-19	2017-18
<b>Financial Assumptions</b>		
Discount Rate	7.75%	7.75%
Salary Escalation Rate	6.00%	6.00%
<b>Demographic Assumptions</b>		
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal Rate	4.00%	4.00%

**50.2.11** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

- 50.2.12** At 31<sup>st</sup> March 2019, the weighted average duration of the defined benefit obligation was 5.49 years (previous year 5.2). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows :

(Rs. in Lakhs)

Expected benefits payment for the year ending on	Gratuity
31 <sup>st</sup> March 2020	731.10
31 <sup>st</sup> March 2021	265.76
31 <sup>st</sup> March 2022	288.35
31 <sup>st</sup> March 2023	269.51
31 <sup>st</sup> March 2024	320.77
31 <sup>st</sup> March 2025 to 31 <sup>st</sup> March 2029	2061.49

- 50.2.13** The Company expects to contribute Rs.184.57 Lacs (previous year Rs.845.52 Lacs) to its gratuity fund in 2019-20.

**50.2.14 Sensitivity Analysis**

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :

(Rs. in Lakhs)

Particulars	Gratuity	
	2018-19	2017-18
Effect on DBO due to 1% increase in Discount Rate	(213.86)	(207.88)
Effect on DBO due to 1% decrease in Discount Rate	241.01	234.34
Effect on DBO due to 1% increase in Salary Escalation Rate	231.10	224.87
Effect on DBO due to 1% decrease in Salary Escalation Rate	(209.90)	(205.96)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

- 51. In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, the requisite disclosure as follows :**

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Gross Amount Required to be spent by the company during the year	40.26	41.69
Related Party transactions as per Ind AS 24 in relation to CSR Expenditure	—	—
Provision made in relation to CSR expenditure	40.26	41.69

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 51.2 Amount spent during the year on :

(Rs. in Lakhs)

Sl. No.	Particulars	In Cash	Yet to be paid in cash	Total
i	Construction/ Acquisition of any asset	1.89 (2.31)	– ( – )	1.89 (2.31)
ii	On purpose other than above	28.55 (31.27)	9.82 (8.11)	38.37 (39.38)

Figure in bracket represent previous year figure.

### 52. RELATED PARTY DISCLOSURES

#### 52.1 Related parties with whom transactions have taken place during the year and previous year are :

##### A Key Management Personnel

Mr. A.K.Kothari	–	Executive Chairman
Mr. H P Kabra	–	Executive Director (Upto 31 <sup>st</sup> March, 2018)
Mr. T S Parmar	–	Managing Director & CEO
Mr. S. C. Shah	–	V.P. (Finance) & C.F.O.
Dr. Indrajit Dhar	–	Associate V.P. (Accounts & Tax.) cum Company Secretary

##### B Directors

Smt. P D Kothari	–	Director
Mr. R Singhi	–	Director
Mr. H Kampani	–	Director
Dr. K Lahiri	–	Director (up to 12 <sup>th</sup> October, 2017)
Dr. A K Bhattacharya	–	Director (up to 31 <sup>st</sup> March, 2019)
Mr. Arindam Sarkar	–	Director
Mr. S G Belapure	–	Director (w.e.f. 14 <sup>th</sup> February, 2019)

##### C Entities over which Directors / key management personnel or his / their relatives are able to exercise control / Joint control :-

Kothari & Co. Pvt. Limited  
Kothari Medical Centre  
Satyam Financial Services Limited  
Bharat Fritz Werner Limited  
Moore Stephens Singhi Advisors LLP  
Kothari Capital & Securities Pvt. Limited  
Kothari Phytochemicals & Industries Limited  
Gillander Arbuthnot & Company Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 52.2 Transactions during the year

(Rs. in Lakhs)

Particulars	2018-19			2017-18		
	Entities under control / joint control of KMP	Key Management Personnel	Directors	Entities under significant influence of KMP	Key Management Personnel	Directors
Corporate Guarantee Commission Received	—	—	—	0.61	—	—
Rent	24.35	—	—	30.29	—	—
Electricity	12.49	—	—	11.87	—	—
Service Charges	0.25	—	—	0.12	—	—
Corporate Counter Guarantee Commission paid	1.00	—	—	1.00	—	—
Professional Service Charges paid	5.00	—	—	3.13	—	—
Purchase of Property, Plant & Equipment	—	—	—	50.72	—	—
Dividend Received	5.70	—	—	—	—	—
Loan Realised	1880.00	—	—	400.00	—	—
Loan given	1600.00	—	—	1130.00	—	—
Interest received	156.58	—	—	116.64	—	—
Donation	200.00	—	—	200.00	—	—
Remuneration to Key Management Personnel	—	431.37	—	—	512.32	—
Directors Fees	—	—	10.00	—	—	7.00
Investment in Equity Shares of Kothari Phytochemicals & Industries Limited	—	—	—	215.84	—	—

### 52.3 Key Management Personnel compensation

(Rs. in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Short-term employee benefits	426.56	472.79
Post-employment benefits	4.81	39.53
Total compensation	431.37	512.32



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 52.4 Balance Outstanding as at the balance sheet date

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Entities under control / joint control of KMP</b>		
Corporate Guarantee Commission Receivable	–	0.61
Investment in Equity Share of Bharat Fritz Werner Ltd	1,927.09	1674.55
Investment in Equity Shares of Kothari Phytochemicals & Industries Ltd	215.84	215.84
Loan given	1,385.00	1665.00
Interest receivable	–	36.23

### 53. CATEGORIES OF FINANCIAL ASSETS & FINANCIAL LIABILITIES

As at 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	31 <sup>st</sup> March 2019			31 <sup>st</sup> March 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investment						
- Equity Instruments	–	2142.95	–	–	1890.41	–
- Mutual Funds	9155.02	–	–	4897.87	–	–
Trade Receivables	–	–	2255.24	–	–	2731.57
Cash and Cash Equivalents	–	–	685.45	–	–	2542.53
Bank Balance other than above	–	–	27.13	–	–	23.76
Loans to Employees	–	–	11.76	–	–	22.48
Loans to Related Parties	–	–	1385.00	–	–	1665.00
Security Deposits	–	–	298.49	–	–	319.40
Other Financial Assets	–	–	5.33	–	–	215.85
Derivative Contracts	–	–	–	41.56	–	–
<b>Total Financial Assets</b>	<b>9155.02</b>	<b>2142.95</b>	<b>4668.40</b>	<b>4939.43</b>	<b>1890.41</b>	<b>7520.59</b>
<b>Financial Liabilities</b>						
Borrowings	–	–	44.24	–	–	2763.50
Trade Payables	–	–	3306.43	–	–	3175.41
Other Financial Liabilities	–	–	2051.43	–	–	1601.85
<b>Total Financial Liabilities</b>	<b>–</b>	<b>–</b>	<b>5402.10</b>	<b>–</b>	<b>–</b>	<b>7540.76</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 54 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

54.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost : (Rs. in Lakhs)

Particulars Amount	31 <sup>st</sup> March 2019		31 <sup>st</sup> March 2018	
	Carrying	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Trade Receivables	2255.24	2255.24	2731.57	2731.57
Cash and Cash Equivalents	685.45	685.45	2542.53	2542.53
Bank Balance other than above	27.13	27.13	23.76	23.76
Loans to Employees	11.76	11.76	22.48	22.48
Loans to Related Parties	1385.00	1385.00	1665.00	1665.00
Security Deposits	298.49	298.49	319.40	319.40
Other Financial Assets	5.33	5.33	215.85	215.85
<b>Total Financial Assets</b>	<b>4668.40</b>	<b>4668.40</b>	<b>7520.59</b>	<b>7520.59</b>
<b>Financial Liabilities</b>				
Borrowings	44.24	44.24	2763.50	2763.50
Trade Payables	3306.43	3306.43	3175.41	3175.41
Other Financial Liabilities	2051.43	2051.43	1601.85	1601.85
<b>Total Financial Liabilities</b>	<b>5402.10</b>	<b>5402.10</b>	<b>7540.76</b>	<b>7540.76</b>

54.2 The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial asset & other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

### 55. FAIR VALUE HIERARCHY

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

#### 55.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements

(Rs. in Lakhs)

Particulars	31 <sup>st</sup> March 2019			31 <sup>st</sup> March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investment						
- Equity Instruments	—	—	2142.95	—	—	1890.41
- Mutual Funds	9155.02	—	—	4897.87	—	—
Derivative Contracts	—	—	—	41.56	—	—
<b>Total Financial Assets</b>	<b>9155.02</b>	<b>—</b>	<b>2142.95</b>	<b>4939.83</b>	<b>—</b>	<b>1890.41</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 55.2 Fair Valuation Technique

Investments in mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. These derivatives are estimated by using the pricing models, where the inputs to those models are based on readily observable market parameters, contractual terms, period to maturity, maturity parameters and foreign exchange rates. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from market rates. The said valuation has been carried out by the counter party with whom the contract has been entered with and management has evaluated the credit and non-performance risks associated with the counterparties and believes them to be insignificant and not requiring any credit adjustments.

#### Fair value of non-current investment in equity instrument :

- (a) The company's investment in Bharat Fritz Werner Limited worth Rs.1674.55 lacs originally were subjected to fair valuation by an external valuer for 31/03/2019 which worked out to Rs.1927.09 lacs *ipso facto* entailing the difference for accountal under other comprehensive income - net of deferred tax applicable thereon.
- (b) The key assumptions of arriving at fair value remains by way of as on date discounting of future cash flow over a period of three projected years of the investee remain on the assumption of weighted average cost of capital at assumed rate of 13.95% and terminal growth rate of 3% beyond projection period.

**55.3** During the year ended March 31, 2019 and March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

### 55.4 Explanation to the fair value hierarchy

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

**55.4.1 Level 1** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**55.4.2 Level 2** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**55.4.3 Level 3** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration included in level 3.

### 56 FINANCIAL RISK MANAGEMENT : OBJECTIVE AND POLICIES

Financial management of the Company has been receiving attention of the top management of the Company. The management considers finance as the lifeline of the business and therefore, financial management is carried out meticulously on the basis of detailed management information systems and reports at periodical intervals extending from daily reports to long-term plans. Importance is laid on liquidity and working capital management with a view to reduce over-dependence on borrowings and reduction in interest cost. Various kinds of financial risks and their mitigation plans are as follows:

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 56.1 Credit Risk

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels.

#### a. Provision for expected credit losses

The Company measures Expected Credit Loss (ECL) for financial instruments based on historical trend, industry practices and business environment in which the Company operates.

For financial assets, a credit loss is the present value of the difference between :

- (a) the contractual cash flows that are due to an entity under the contract; and
- (b) the cash flows the entity expects to receive.

The Company recognises in profit or loss, the amount of expected Credit Losses (or reversal) that is required to adjust the loss allowance at the reporting date in accordance with Ind AS 109.

In determination of allowances for credit losses on trade receivables, the Company has used a practical expedience by computing the expected credit losses based on ageing matrix, which has taken into account historical credit loss experience and adjusted for forward looking information.

#### b. The movement of Trade Receivables and Expected Credit Loss are as follows :

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Gross carrying amount	2269.49	2744.41
Expected credit losses (Loss allowance provision)	14.25	12.84
Carrying amount of trade receivables (net of impairment)	2255.24	2731.57

(Rs. in Lakhs)

Reconciliation of loss allowance provision –	Amount
Loss allowance on 1 April 2017	38.79
Changes in loss allowance	(25.95)
Loss allowance on 31 March 2018	12.84
Changes in loss allowance	1.41
Loss allowance on 31 March 2019	14.25

### 56.2 Liquidity Risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 56.2.1 Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31<sup>st</sup> March 2019

(Rs. in Lakhs)

a	Particulars	On Demand	Less than 1 year	More than 1 year	Total
	<b>Non-derivative</b>				
	Trade payables	–	3306.43	–	3306.43
	Borrowings	–	–	–	
	Working Capital loans repayable on demand	44.24	–	–	44.24
	Other financial liabilities	–	1578.90	472.53	2051.43
	<b>Total</b>	<b>44.24</b>	<b>4885.33</b>	<b>472.53</b>	<b>5402.10</b>

b The following are the remaining contractual maturities of financial liabilities as at 31<sup>st</sup> March 2018

(Rs. in Lakhs)

	Particulars	On Demand	Less than 1 year	More than 1 year	Total
	<b>Non-derivative</b>				
	Trade payables	–	3175.41	–	3175.41
	Borrowings	–	–	–	
	Working Capital loans repayable on demand	1471.80	–	–	1471.80
	Short Term Loan	–	1291.70	–	1291.70
	Other financial liabilities	–	1129.61	472.24	1601.85
	<b>Total</b>	<b>1471.80</b>	<b>5596.72</b>	<b>472.24</b>	<b>7540.76</b>

c The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above tables as exchange rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

### 56.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three type of risks: Foreign Exchange Risk, Interest Rate Risk and Other Price Risk.

#### 56.3.1 Foreign Exchange Risk

Foreign Exchange Risk is the exposure of the Company to the potential impact of movements in foreign exchange rates. The Company imports various raw materials viz. chemicals, drugs, API, packing materials viz. granules, items of stores and spares and capital goods as per its requirements from time to time and also borrows funds in foreign currencies. This results in foreign currency risk to the Company. Similarly, company's exports are also exposed to foreign currency risks.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

For the Foreign Exchange exposures risk management, the Company's Policy is to adopt a flexible approach in hedging its risk. For this, the Company from time to time takes the view from banks and foreign exchange experts and based upon the same and also considering macro-economic factors, forms a view and whenever deemed necessary, hedges its foreign exchange risk. The hedging strategies are taken after careful study/analysis of foreign exchange market to minimize to the extent possible, any effect of the fluctuation in foreign exchange rates.

### a Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows :

(Rs. in Lakhs)

Particulars	31 <sup>st</sup> March 2019		31 <sup>st</sup> March 2018	
	USD	EUR	USD	EUR
Financial Assets				
Trade Receivables	249.05	7.11	177.41	—
Bank Balance	46.42	0.07	231.30	0.08
Derivative Forward Contracts	—	—	—	41.56
Net Exposure to foreign currency risk (assets)	295.47	7.18	408.71	41.64
Financial Liabilities				
Short Term Loan : Buyers Credit	—	—	—	1,291.70
Trade Payables	382.69	—	322.67	2.37
Net Exposure to foreign currency risk (liabilities)	382.69	—	322.67	1,294.07

### b Sensitivity Analysis

A reasonably possible strengthening (weakening) of the INR against USD and EUR as at 31<sup>st</sup> March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. in Lakhs)

Particulars	31 <sup>st</sup> March 2019			31 <sup>st</sup> March 2018		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit Before Tax	Other Equity		Profit Before Tax	Other Equity
USD Sensitivity (Increase)	5.00%	(4.36)	(2.84)	5.00%	4.30	2.81
USD Sensitivity (Decrease)	5.00%	4.36	2.84	5.00%	(4.30)	(2.81)
EUR Sensitivity (Increase)	5.00%	0.36	0.23	5.00%	(62.62)	(40.95)
EUR Sensitivity (Decrease)	5.00%	(0.36)	(0.23)	5.00%	62.62	40.95

### c Outstanding Forward Contracts entered into by the Company against buyer's credit Rs. Nil Lakhs (Previous year Rs.1291.70 Lakhs) & trade payable Rs.Nil (Previous year Rs.Nil) for hedging adverse impact of foreign currency fluctuation.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

**d Details of unhedged Foreign Currency exposure as at Balance Sheet date :**

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Trade Receivable	256.16	177.41
Advances to Supplier	—	25.19
Bank Balance	46.48	231.38
	<b>302.64</b>	<b>433.98</b>
Trade Payable	382.69	325.04
Advance from Customer	57.19	59.89
	<b>439.88</b>	<b>384.93</b>

### 56.3.2 Interest Rate Risk

The Company is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/ refinancing options where considered necessary.

The Company is also exposed to interest rate risk on surplus funds parked in fixed deposits and interest bearing investments. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds if any.

### 56.3.3 Other Price Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company do not have any long-term debt obligations. Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

However, the Company is also exposed to interest rate risk on surplus funds parked in mutual funds (debt oriented) measured at fair value through profit or loss.

**a Exposure to other market price risk**

(Rs. in Lakhs)

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Investment in Mutual Fund - Debt Instrument	6095.61	1674.15

**b Sensitivity Analysis**

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular market risk, remain constant.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lakhs)

Particulars	31 <sup>st</sup> March 2019			31 <sup>st</sup> March 2018		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit Before Tax	Other Equity		Profit Before Tax	Other Equity
Interest Rate Increase by	1.00%	60.96	39.66	1.00%	16.74	10.95
Interest Rate Decrease by	1.00%	(60.96)	(39.66)	1.00%	(16.74)	(10.95)

### 56.3.4 Other Price Risk

The Company is exposed to equity price risk, which arises from mutual fund (equity oriented) measured at fair value through profit or loss. In order to deploy the surplus funds, necessary planning is done by the Finance & Accounts Department after considering the fund planning of subsequent months and overall fund position. Various investments options are evaluated within the investment options allowed by the Board to arrive at proper decision.

The Investment so made are reviewed every fortnight. To spread the concentration of funds as well as risks, investments in Mutual Funds are scattered and utmost care and vigilance is undertaken before deployment of funds for investment purpose to ensure credit worthiness of the investment and availability of such surplus invested funds to meet any unforeseen situation that may arise.

#### a Exposure to other market price risk

(Rs. in Lakhs)

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Investment in Mutual Funds - Equity Instrument	3059.41	3223.72

#### b Sensitivity Analysis

The table below summarise the impact of increases/ decreases of the index on the Company's equity investment and profit for the period. The analysis is based on the assumption that the equity index had increased/ decreased by 5% with all other variables held constant, and that all the company's equity instruments moved in line with the index.

(Rs. in Lakhs)

Particulars	31 <sup>st</sup> March 2019			31 <sup>st</sup> March 2018		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit Before Tax	Other Equity		Profit Before Tax	Other Equity
Market rate Increase	5.00%	152.97	99.52	5.00%	161.19	105.40
Market rate Decrease	5.00%	(152.97)	(99.52)	5.00%	(161.19)	(105.40)



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 57. CAPITAL MANAGEMENT

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt ( total borrowings less cash and cash equivalents) to equity ratio is used to monitor capital.

#### Debt Equity Ratio

(Rs. in Lakhs)

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Net Debt	–	220.97
Equity	21,044.57	18594.66
Debt Equity Ratio	–	0.01: 1

### 58. DISCONTINUED OPERATIONS

#### Discontinued operation (pursuant to Ind AS 1 and Ind AS 105)

- (a) The Board of Directors decided to discontinue operations of Mandideep Unit due to continuing loss during its meeting dated 26<sup>th</sup> December, 2017. During the year, the process of disposal of assets of Mandideep unit was completed. The profit of discontinued operations include inter-alia profit generated from disposal of the said unit. The disposal of assets therein are complete and liabilities related to the unit have been paid off.

- (b) Disclosures pursuant to Para-33, Ind AS-105

(Rs. in Lakhs)

Particulars	For Year Ended on 31.03.2019	For Year Ended on 31.03.2018
<b>Revenue :</b>		
(1) Sale	30.95	288.62
(2) Other Income :		
Interest	0.60	1.47
Claim received	0.00	8.50
Liability written back	1.41	0.67
Profit on sale of fixed assets (Net)	1468.83	48.92
Others	–	–
	<b>1470.84</b>	<b>59.56</b>
(3) Total Income	<b>1501.79</b>	<b>348.18</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lakhs)

Particulars	For Year Ended on 31.03.2019	For Year Ended on 31.03.2018
<b>Expenses:</b>		
<b>(4) Expenses</b>		
Cost of Material	20.84	65.35
Increase/decrease in finished goods & work-in-progress	—	111.23
Loss on carrying inventories at fair value	—	75.60
Loss on carrying fixed assets at fair value	—	8.47
GST/ CENVAT credit written off	—	223.91
Employees benefit expenses	40.18	176.11
Other Expenses	35.90	143.35
VRB Compensation	—	91.06
Finance cost	—	0.60
Depreciation & Amortization	4.02	13.89
Current Tax	17.31	(185.70)
Deferred Tax	491.98	(11.55)
<b>(5) Total Expenses</b>	<b>610.23</b>	<b>712.32</b>
<b>(6) Profit / ( Loss) from discontinued operations (3-5)</b>	<b>891.56</b>	<b>(364.14)</b>

**(c) Cash flows attributable to the discontinued operations :**

(Rs. in Lakhs)

Particulars	For Year Ended on 31.03.2019	For Year Ended on 31.03.2018
Operating Activities	38.58	(86.14)
Investing Activities	1491.81	73.45
Financing Activities	—	(0.60)
Net cash inflows/ outflow	1530.39*	(13.29)

\* Transferred to continuing operations.

### 59. IMPAIRMENT

The Company has not found any indication of impairment of the assets as per Ind AS 38 and accordingly no further exercise for calculating impairment loss has been undertaken.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 60. Sample distribution includes expenses under the following heads

(Rs. in Lakhs)

Expenses Head	2018-19	2017-18
Salary	168.54	193.30
Provident Fund	16.21	16.22
Gratuity	10.74	22.22
Staff Welfare	15.94	5.61
Cost of Material Consumed	250.62	215.82
Store Consumed	15.55	15.16
Purchase of Stock in Trade	284.72	332.66
Excise duty paid	—	9.81
Freight, Forwarding & Transportation	0.47	—
Power & Fuel	37.37	40.73
Repair & Renewal	25.06	27.76
Travelling, Conveyance & Vehicle upkeep	3.20	3.31
Postage, Telegram & Telephones	0.55	0.53
Professional Service charges	0.93	0.07
Processing charges	8.80	8.33
Quality Control & Assurance expenses	0.88	1.54
Bank charges	0.22	0.06
Service charges	17.14	19.59
Misc. expenses	1.37	1.32
Rent	0.03	—
Law charges	0.23	0.02
Rates & Taxes	0.33	0.46
Printing & Stationary	1.04	0.98
Insurance	3.23	2.98
Sales/Service/Goods & Service Tax	0.82	3.08
Carriage Inward	4.94	4.98
GST Paid	175.29	118.90
	<b>1,044.22</b>	<b>1,045.44</b>

61. The Board of Directors have recommended a dividend of Rs.6.00 per equity share of Rs.10/- each (amounting to Rs.412.82 lacs including dividend distribution tax Rs.70.39 lacs) which has not been provided for the financial year ended 31<sup>st</sup> March, 2019, which is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

### 62. Disclosure pursuant to section 186(4) of Companies Act, 2013 :

(Rs. in Lakhs)

Nature of Facility granted	To whom/ in whose favour granted	Paid during the year	Amount outstanding at year end	Purpose	Rate of Interest
Loan payable on demand	Kothari Medical Centre	Nil	85.00	Need based working capital support	11.25%
Loan payable on demand	Satyam Financial Services Ltd	1400.00	1300.00	Need based working capital support	11.00%

### 63. New Standards / Amendments applied during the year in respect of Company's Financial Statements :

On 28<sup>th</sup> March, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contracts with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1<sup>st</sup> April 2018

#### a) Ind AS 115-Revenue from Contracts with Customers (new)

Ind AS 115 supercedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contract with customers. The principle of Ind AS 115 is that an entity should recognise revenue that demonstrates the transfer of promised goods and services to the customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

#### b) Ind AS 12 - Income Taxes (amendment) - Consideration of restrictive tax laws in sources of taxable profit and corresponding reversal of deductible temporary differences.

#### c) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates (amendment) – on application of newly inserted appendix-B pertaining to foreign currency in connection of non monetary assets / liabilities.

The impact of the above new standards/amendments did not have material impact on the financial statements.

### 64. Effective April 1, 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers, using the cumulative effect method and the comparative information is not restated. The adoption of the standard did not have any material impact on the financial statements of the Company.

#### A. Revenue from contracts with customers disaggregated based on primary geographical markets, major products, type of sales and type of customers:

(Rs. in Lakhs)

	For the period ended 31 <sup>st</sup> March 2019	For the period ended 31 <sup>st</sup> March 2018
<b>Type of Goods and Services</b>		
Tablet	4,662.80	4,746.21
Capsule	3,623.15	3,419.18
LVP – Large volume Parenteral	8,672.91	7,712.38
SVP – Small volume Parenteral	5,441.01	4,898.83
Ointment	1,942.53	1,538.37
Syrup	6,426.62	5,888.91
Others	719.29	945.27
<b>Total</b>	<b>31,488.31</b>	<b>29,149.15</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(Rs. in Lakhs)

	For the period ended 31 <sup>st</sup> March 2019	For the period ended 31 <sup>st</sup> March 2018
<b>Geographical Region</b>		
India	28,990.49	26,578.20
Overseas	2,497.82	2,570.95
<b>Total</b>	<b>31,488.31</b>	<b>29,149.15</b>

<b>Type of Sales</b>		
Manufactured	24,175.51	22,812.99
Traded	7,312.80	6,336.16
<b>Total</b>	<b>31,488.31</b>	<b>29,149.15</b>

<b>Type of customers</b>		
Government	2,720.22	1641.96
Non-government	28,768.09	27,507.19
<b>Total</b>	<b>31,488.31</b>	<b>29,149.15</b>

### B. Reconciliation of Revenue from Sale with contract price

Contract Price(Net of Return)	33,131.89	30,960.32
Less: Provision for Breakage and Expiry	33.32	(14.46)
Rebates & Discounts	1,610.26	1,825.63
<b>Revenue from Sale</b>	<b>31,488.31</b>	<b>29,149.15</b>

65. The Company is only engaged in manufacturing pharmaceutical products ipso-facto one reportable segment being "Operating Segments" under Ind AS 108.
66. Previous year figures have been reclassified/regrouped to confirm to the current year presentation / classification.

The Notes are an integral part of the Financial Statements

As per our report of even date attached

For **Basu Chanchani & Deb**  
Chartered Accountants  
Firm Registration No. 304049E

**Biswanath Chattapadhyay**  
Partner  
Membership No : 051800

For and on behalf of the Board of Directors of **Albert David Limited**  
CIN No. L51109WB1938PLC009490

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

**I DHAR**  
Associate V.P.(Accts.& Tax.)  
cum Company Secretary  
(ACS - 9054)

**A K KOTHARI**  
Executive Chairman  
DIN : 00051900

**T S PARMAR**  
Managing Director & CEO  
DIN : 05118311

Place : Kolkata  
Date : 29<sup>th</sup> May, 2019

## TEN YEAR FINANCIAL HIGHLIGHTS

(Rs In Lakhs)

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
SHARE CAPITAL	570.72	570.72	570.72	570.72	570.72	570.72	570.72	570.72	570.72	570.72
OTHER EQUITY (RESERVES & SURPLUS)	20473.85	18023.94	17730.58	13112.11	8711.49	8463.47	7540.01	6984.61	6520.25	5734.15
NET WORTH	21044.57	18594.66	18301.30	13682.83	9282.21	9034.19	8110.73	7555.33	7090.97	6304.87
FIXED ASSETS (NET)	8214.38	8808.92	9542.81	4945.18	5451.56	7005.67	7326.22	7545.90	7192.15	7721.82
NON CURRENT INVESTMENTS	2142.95	1890.41	1674.57	1650.10	1650.10	1650.10	0.02	0.02	0.02	1.02
NET CURRENT ASSETS	11716.86	8273.43	7588.85	7617.85	3311.68	2605.72	2821.58	1241.13	5002.18	4607.38
TOTAL CAPITAL EMPLOYED	22622.36	20041.29	19647.22	14839.89	10949.54	11604.86	10433.89	11613.20	9594.77	12567.83
SALES(NET)	31301.36	29006.22	31240.86	32046.40	31968.20	28895.42	26158.18	22817.47	21748.50	20135.70
EBITDA (OPERATING PROFIT)	5049.53	2516.47	3400.02	3302.07	3837.97	3310.48	2736.25	2445.28	2918.18	2859.95
FINANCE COST	61.74	86.48	78.88	181.09	269.62	358.69	324.26	343.86	281.06	383.52
EBTDA (GROSS PROFIT)	4987.79	2429.99	3321.14	3120.98	3568.35	2951.79	2411.99	2101.42	2637.12	2476.43
DEPRECIATION	701.82	836.99	766.65	899.87	1541.46	1105.73	1073.47	977.57	996.41	904.83
INCOME FROM EXCEPTIONAL ITEMS	0.00	0.00	0.00	4080.75	0.00	0.00	0.00	0.00	0.00	0.00
PBT (PROFIT BEFORE TAX)	4285.97	1593.00	2554.49	6301.86 *	2026.89	1846.06	1338.52	1123.85	1640.71	1571.60
TAX	1621.98	608.92	958.98	1502.27	656.86	588.74	482.65	361.01	556.13	544.20
PAT (PROFIT AFTER TAX)	2663.99	984.08	1595.51	4799.59*	1370.03	1257.32	855.87	762.84	1084.58	1027.40
DIVIDEND %	60	55	55	55	55	50	45	45	45	45
EPS (EARNINGS PER EQUITY SHARE(RS))	46.68	17.24	27.96	84.10	24.01	22.03	15.00	13.37	19.00	18.00
DEBT EQUITY RATIO	0.02	0.03	0.03	0.03	0.13	0.15	0.14	0.12	0.21	0.60
RETURN ON CAPITAL EMPLOYED	22.56%	8.65%	13.67%	38.45%	17.19%	15.08%	12.40%	9.42%	14.37%	15.56%
RETURN ON NET WORTH	15.09%	6.47%	10.70%	35.08%	14.76%	13.92%	10.55%	10.09%	15.30%	16.30%
BOOK VALUE PER EQUITY SHARE (RS)	309.31	266.39	261.25	239.75	162.64	158.30	142.12	132.38	124.25	110.47

FIGURES FOR 2018-19, 2017-18 AND 2016-17 ARE REGROUPED AS PER REVISED SCHEDULE III UNDER INDIAN ACCOUNTING STANDARD (IND AS) OF COMPANIES ACT, 2013 AND INCLUDES FIGURES FOR DISCONTINUED OPERATIONS.

FIGURES FOR 2015-16, 2014-15, 2013-14 AND 2012-13 ARE REGROUPED AS PER REVISED SCHEDULE III OF COMPANIES ACT, 2013 AND REVISED SCHEDULE VI OF COMPANIES ACT, 1956

\* INCLUDES EXCEPTIONAL ITEM (BRAND SALE) OF RS 4080.75 (NET OF RELATED EXPENSES & TAX)

Science City, Seminar Hall S-18 (A & B), J. B. S. Haldane Avenue, Kolkata – 700 046





## Notes

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## Notes

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## Notes

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**VER BET 8/16/24**  
Tablet

## MAIN SALES DEPOT

### BHOPAL

#### Albert David Limited

E-7/852, Arera Colony,  
Near 12 No. Stop  
Bhopal - 462016 (M.P.)  
Phone: (0755) 4273796/2421121  
E-mail: bhopal@adlindia.in

### LUCKNOW

#### Albert David Limited

P-7/2, Transport Nagar, Kanpur Road  
Lucknow - 226008  
Phone: (0522) 4234001/2/3  
E-mail: lucknow@adlindia.in

### VIJAYAWADA

#### Albert David Limited

1-4/1-10A Netaji Road,  
Kamakoti Nagar, Vidyadharapuram,  
Vijayawada - 520 012 (A.P.)  
Phone: (0866) 2417693  
Fax: (0866) 2413962  
E-mail: vijayawada@adlindia.in

### DELHI

#### Albert David Limited

4/11, Asaf Ali Road, New Delhi - 110002  
Phone: (011) 2327 0220/2327 0261  
E-mail: delhi@adlindia.in

### CHENNAI

#### Albert David Limited

37, Nelson Manickam Road,  
6th Floor, Aminjikarai  
Chennai - 600 029 (Tamilnadu)  
Phone: (044) 2374 0811/2374 4242  
E-mail: chennai@adlindia.in

### GUWAHATI

#### Albert David Limited

G.S. Road, Dispur  
(Beside International Hospital)  
Guwahati - 781 005 (Assam)  
Phone: (0361) 2343204/2343243  
E-mail: guwahati@adlindia.in

### PATNA

#### Albert David Limited

2nd floor at Block 'B', Shazia Complex  
New Bye Pass Road, Beur More  
Post - Anisabad, Patna - 800002  
Phone: (0612) 2251828 / 2251813 /  
9693290474  
Fax: (0612) 2251888  
E-mail: patna@adlindia.in

### MUMBAI

#### Albert David Limited

46, Atlanta Building, 4th floor, Nariman Point  
Mumbai - 400 021 (Maharashtra)  
Phone: (022) 22023868/3819  
49240463/64  
E-mail: mumbai@adlindia.in

### KOLKATA

#### Albert David Limited

21, Gopal Chandra Bose Lane  
Kolkata - 700 050 (W.B.)  
Phone: (033) 25569799/25574471  
Fax: (033) 25574471  
E-mail: kolkata@adlindia.in

## FACTORIES

### KOLKATA

#### Albert David Limited

5/11, D Gupta Lane, Kolkata - 700 050 (W.B.)  
Phone: (033) 25571131/1231/1281  
Fax: (033) 25571181  
E-mail: adfact@adlindia.in

### GHAZIABAD

#### Albert David Limited

B-12/13, Meerut Road, Industrial Area  
Ghaziabad - 201 003 (U.P.)  
Phone: (0120) 4197900 (30 lines)  
Fax: (0120) 4197950  
E-mail: adlgzb@adlindia.in

## REGISTERED OFFICE

### ALBERT DAVID LIMITED

'D' Block, 3rd Floor, Gillander House, Netaji Subhas Road, Kolkata - 700 001  
Phone: +91 33 2262-8436 / 8456 / 8492/ 2230-2330, Fax : 91 33-2262 8439  
E-mail: adidavid@dataone.in, Website: www.albertdavidindia.com

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