

Ref.: CV/AS/Notice&AR/AGM2020

September 1, 2020

The General Manager
Department of Corporate Services
BSE Ltd.
P. J. Towers,
Dalal Street,
Mumbai – 400001.
Scrip Code: 524075

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C-1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051.
Symbol: ALBERTDAVD

Dear Sir(s),

Sub: Notice of the 81st AGM of the Company and Annual Report for the Financial Year 2019-2020.

This is with reference to our earlier letter dated August 24, 2020 regarding, inter-alia, convening of the 81st Annual General Meeting (“AGM”) of the Members of Albert David Limited (“the Company”) on Friday, September 25, 2020 at 11:00 a.m. (IST) through Video Conferencing/Other Audio Video Means (“VC/ OAVM”).

Pursuant to Regulation 30 and 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we hereby submit the Annual Report of the Company along with the Notice of AGM for the financial year 2019-2020 which is being sent through electronic mode to the Members whose email addresses are registered with the Company/RTA/Depository Participant(s). The requirements of sending physical copy of the Notice of the AGM and Annual Report to the Members have been dispensed with vide the Ministry of Corporate Affairs (“MCA”) Circular No. 20/2020 dated May 5, 2020, Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 (collectively referred to as “MCA Circulars”) and the Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (“SEBI Circular”).

Further, in terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company has fixed Friday, September 18, 2020 as the “cut-off date” to determine the eligibility of the Members to cast their vote by electronic means and e-voting during the 81st AGM scheduled to be held on Friday, September 25, 2020, through VC/OAVM.

The Notice of the 81st AGM and the Annual Report for the financial year 2019-2020 are also being available on the website of the Company at www.albertdavidindia.com under “Investor Relations” section.

We request you to take the above information on record.

Thanking you,

Yours faithfully,

For **Albert David Limited**

Chirag A. Vora
Chirag A. Vora

Company Secretary & Compliance Officer

Encl.: A/a.

**ALBERT
DAVID**
Adds life to life

ALBERT DAVID LIMITED
ANNUAL REPORT
2019-2020



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

- DIRECTORS** : Mr. A. K. Kothari Executive Chairman
Dr. T. S. Parmar Managing Director & CEO
Smt. Prabhawati Devi Kothari
Mr. Hemal Kampani
Mr. Rajiv Singhi
Mr. Arindam Sarkar
Mr. Shirish G. Belapure
Dr. Monjori Mitra (w.e.f. 24th August, 2020)
- MANAGEMENT TEAM** : Mr. S. C. Shah
Corporate Head (Finance) & CFO
Mr. A. J. Chattopadhyay
Corporate Head – HR
Mr. Anirban Ghosh
Head (Sales & Marketing) - ADL Div.-I
Mr. Ashis A. Majumdar
Head (Sales & Marketing) - ADL Div.-II
Mr. P. K. Jain
Plant Head, Kolkata
Mr. H. T. Nazare
Plant Head, Ghaziabad
- COMPANY SECRETARY** : Dr. Indrajit Dhar (upto 29th June, 2020)
Mr. Chirag A. Vora (w.e.f. 29th June, 2020)
- AUDITORS** : Basu Chanchani & Deb,
Chartered Accountants, Kolkata.
- BANKER** : State Bank of India
- REGISTRAR & SHARE
TRANSFER AGENT** : 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
- REGISTERED OFFICE** : 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
- MANUFACTURING UNITS** : 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 Pharmaceutical Company with over 8 decades of successful operations. 'Albert David' is the flagship company of prominent and highly diversified 'Kothari Group' headquartered in Kolkata with operations across India and overseas.

The Year Gone By

The world is going through an unprecedented crisis posed by the outbreak of COVID-19 pandemic. I hope that you and your family members continue to be well, amid the challenges of the pandemic and its overall impact on human lives.

The Indian Pharma industry has been sailing through turbulent waters for the past couple of years, primarily due to the initial jolts of dynamic reform measures like demonetization (in 2016-17), implementation of GST (in 2017-18) followed by economic slowdown (around 2018-19 onwards) and finally, the outbreak of COVID-19 (in 2019-20) posed a plethora of absolutely unforeseen adversaries to industry and economy worldwide.

Your Company had already started the process of organizational transformation couple of years back and continues its efforts to evolve as leaner, more agile, efficient institution, already recognized for its quality medicines and heritage brand value.

Structural Changes

Under the dynamic leadership of Dr. T. S. Parmar, MD & CEO and enlightened Board, your Company has been consistently taking multi-dimensional proactive measures including in the sphere of organizational restructuring, product distribution, marketing & brand strategy, bifurcation & renewed focus on core brands, creation of separate division for improved brand focus, heightened efforts on the generics front etc. Many further initiatives will be taken in the days to come.

Dividend

In continuation of Albert David Limited steady dividend policy and performance outlook, the Albert David Limited Board has paid an Interim Dividend of Rs.7/- (70%) per equity share of Rs.10/- each for the financial year ended on 31st March, 2020, vis-à-vis, Rs.6/- (60%) dividend paid in the previous year.

Future Outlook

The outlook for the domestic pharmaceutical industry and the ≈Rs.1.50 trillion+ IPM is a mix of temporary disruptions & limitations in the short-midterm, and abundant opportunities in the mid-long term.

In view of the disruptions from COVID-19 pandemic, domestic pharma market may be impacted in the coming year and expected to smoothen over the mid to long term.

Whilst the size of the IPM and India's comparative advantages in the global pharma market definitely extrapolates to a positive future outlook, respective organizational resilience, agility and adaptation to the 'new normal' is expected to play a crucial determinant of success in days to come.

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

A K Kothari
Executive Chairman



Managing Director & CEO's Message

Dear Shareholders,

It is my pleasure to address you in my third year of association with Albert David Limited.

The outbreak of corona virus, the COVID-19 pandemic, has inflicted dramatic impact on the lives and livelihood around the globe. In these challenging & uncertain times, I hope you all remain healthy and safe. 'Albert David' stands in solidarity with all frontline warriors including doctors, paramedics, pharma manufacturers / distributors / retailers, police, and Govt. agencies etc. 'Albert David' is doing its bit by ensuring that essential medicines are available regularly across the country.

The Market Scenario

The Indian Pharma industry continued to face newer headwinds, the latest being, massive disruptions due to outbreak of the COVID-19 pandemic. This once-in-a century crisis has broken healthcare systems, emptied public spaces and crashed economies around the globe. It has also twisted market dynamics, patterns of demand / supply and consumer sentiment / spending in unpredictable ways.

The International Monetary Fund World Economic Outlook (June, 2020) projections predict global GDP growth rate to slide from 2.9% in CY2019 to -4.9% in CY2020, if not worse. For India the projected GDP growth rate is estimated to slide from 4.2% in FY2019 to -4.5% in FY2020. As per IQVIA, the IPM reached ~Rs.1.50 trillion (USD 22 billion) in FY 2019-20 registering a CAGR of 9.5% over 2014-19. Moreover, the economic ravage of the pandemic, with its 360° spillover effects, is worse than the 2008-09 financial crisis. The IPM, once considered immune to economic downturns, seems to be defying that trend. Hence, uncertain times are here to stay in the foreseeable future, and to be factored in FY 2020-21 as well.

These unprecedented situations call for unconventional and drastic counter actions to navigate through, and the pharma industry is responding with alacrity to the rapid challenges arising from disruption in operations, supply chains, transportation, availability and cost of raw materials / APIs from China and altered demand pattern / schedule in both acute & chronic segment. Further, the Nation-wide lockdown had its inevitable fallout of postponement of non-emergency clinic visits and elective surgeries by patients at large, shut down of OPDs and social distancing norms restrained face-to-face meeting with doctors and campaign / promotional activities, critical for domestic marketing of prescription products.

Despite the aforesaid, 'Pharma' is one of the safest and most resilient industries in these uncertain times and the industry is playing an important role by enabling supply of key medicines across the globe amid complying constantly evolving Govt. restrictions, employee safety protocols, curtailed mobility, besides industry specific challenges / bottlenecks.

Our Current Status

At 'Albert David', "Adds life to life" is a simple yet profound theme that defines our efforts and reflects our mindset, aspiration and vision. We, as a company, continued to take initiatives to address the changing business environment. During the FY 2019-20 we have achieved net sales and net profit of Rs.318.43 Cr. and Rs.19.17 Cr. against Rs.312.70 Cr. and Rs.17.72 Cr. (from continuing operations) respectively, during the previous year.

We, being part of an essential industry do enjoy certain relaxations from the strict enforcement of lockdown measures; however, return to normalcy in operations will depend on many factors that include lockdown status, overall Govt. restrictions including on ancillary / linked industries / activities, availability of manpower, logistical support, working capital cycle and essentially, market dynamics etc.

We are closely monitoring the scenario and given the unpredictability of exact duration of the pandemic, no precise estimate can be made of the impact thereof, except that it may turn out to be adverse on turnover / profitability / cash flow of the Company.

The Company believes that the quality of its employees is the key to organizational success, and thus, is committed to extend necessary development and training opportunities for enhancement of faculties and skill sets. During the year 2019-20, we continued our pan Corporate / pan Function review and took several positive, forward looking and strategic initiatives.

A few of the initiatives we are taking and areas we continue to work on, are as under –

- (i) Continuous review and alignment of our Strategic Plan(s), for prompt identification & tapping of available market potential and de-risking of business performance;
- (ii) Restructuring and re-aligning the Product Marketing division & EMB operations including establishment of a dedicated 'Marketing & Sales Office' at Mumbai, the pharma hub of the subcontinent;
- (iii) Improvement in overall operational efficiency and resource optimization, through strengthening our new ERP system and SOPs across functions, to sustain robust growth;
- (iv) Focus on overhead and cost rationalization and efforts towards gradual shift to variable cost model in distribution vertical, in line with industry best practices;
- (v) Accelerated initiation of digital connect and virtual engagement with doctors and patients;
- (vi) Organizational restructuring pan-India, including professionalizing the ADL Board;

The Way Forward

India's exalted position 'Pharmacy to the world' will hold strong, amid disruptions and challenges driven by the pandemic or otherwise. The domestic pharma market is currently valued at ≈Rs.1.50 trillion+, whereas global prescription sales are expected to touch USD 1.4 trillion in 2026 registering a CAGR of +7.4% over 2020-26. Further, patents, backing sales to the tune of ≈USD 252 billion, are due for expiry between 2020-26.

Furthermore, though genericisation of pharma will have certain degree of limiting impact on branded pharma, the GOI's scheme to promote indigenization of API / KSMs / Drug Intermediary production through establishment of API Parks, Production Linked Incentives (PLI) etc. and the Rs.20 Lakh Cr. economic stimulus package announced by the Hon'ble PM of India in the wake of corona virus outbreak which includes a slew of healthcare reforms, coupled with proper implementation of existing Ayushman Bharat Scheme, Jan Aushadhi Scheme, National Health Protection Scheme and GOI's exemplary stand against blind patent protection, will surely provide the needed thrust to propel India's domestic pharma industry to newer heights.

I, on behalf of Albert David Limited can assure you that we are steadily navigating through the unfolding challenges albeit with due caution, and 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.

Do take care & stay safe.

Warm regards!

T S Parmar
Managing Director & CEO

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

NOTICE**TO THE MEMBERS**

NOTICE is hereby given that the Eighty First Annual General Meeting (“AGM”) of the Members of Albert David Limited (“the Company”) will be held on **Friday, 25th September, 2020 at 11.00 a.m.**, India Standard Time (“IST”), through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2020 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Arun Kumar Kothari (DIN: 00051900), who retires by rotation and being eligible, offers himself for re-appointment.

AS SPECIAL BUSINESS

3. **To approve the remuneration of the Cost Auditors for the financial year ending on 31st March, 2021 and in this regard, 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(s) thereof, for the time being in force), M/s. S. Gupta & Co., Cost & Management Accountants, Kolkata (bearing Firm Registration No. 000020), the 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 31st March, 2021, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this AGM;

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

4. **To appoint Dr. Monjori Mitra (DIN: 02761691) as an Independent Director of the Company and, in this regard, 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, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Articles of Association of the Company and other applicable laws, regulations and guidelines, if any, Dr. Monjori Mitra (DIN : 02761691), who was appointed as an Additional Director (Non-Executive, Independent) of the Company by the Board of Directors with effect from 24th August, 2020, who holds office up to the date of this AGM, and has submitted a declaration confirming that she meets the criteria of independence as specified in the Act and Listing Regulations, and who is eligible for appointment, and whose appointment has been recommended by the Nomination and Remuneration Committee and approved by 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, to hold office for a term of 5 (five) consecutive years from 24th August, 2020 till 23rd August, 2025;

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and 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 approve the revision in remuneration payable to Mr. Arun Kumar Kothari (DIN: 00051900), Whole-time Director designated as Executive Chairman of the Company and in this regard to consider and, if thought fit, to pass the following resolutions as Special Resolutions:**

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, Audit Committee and approval of the Board of Directors of the Company, and in accordance with the provisions of section 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, time being in force) read with Schedule V of the Act, relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, regulations, guidelines, if any, and subject to any other approvals, if applicable, the consent of members of the Company be and is hereby accorded for revision in remuneration payable to Mr. Arun Kumar Kothari (DIN: 00051900), Whole-time Director designated as Executive Chairman of the Company for the period from 1st April, 2020 to 31st March, 2021 in the manner and to the extent set out in the Explanatory Statement annexed to the Notice convening this AGM;

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorised to do all such acts, deeds and things as it may in its absolute discretion consider proper, necessary or desirable including obtaining any approvals – statutory, contractual or otherwise, in relation to the above and execute all such agreements, documents, instruments and writings as may be required in order to give effect to the foregoing resolution and to settle any question, difficulty or doubt that may arise in the said regard.”

6. To approve the revision in remuneration payable to Dr. Tarminder Singh Parmar (DIN: 05118311), Managing Director & CEO of the Company and in this regard to consider and, if thought fit, to pass the following resolutions as Special Resolutions:

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, Audit Committee and approval of the Board of Directors of the Company, and in accordance with the provision of section 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, time being in force) read with Schedule V of the Act, relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, regulations, guidelines, if any, and subject to any other approvals, if applicable, the consent of members of the Company be and is hereby accorded for revision in remuneration payable to Dr. Tarminder Singh Parmar (DIN: 05118311), Managing Director & CEO of the Company for the period from 1st April, 2020 to 31st March, 2021 in the manner and to the extent set out in the Explanatory Statement annexed to the Notice convening this AGM;

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as it may in its absolute discretion consider proper, necessary or desirable including obtaining any approvals – statutory, contractual or otherwise, in relation to the above and execute all such agreements, documents, instruments and writings as may be required in order to give effect to the foregoing resolution and to settle any question, difficulty or doubt that may arise in the said regard.”

Registered Office:

‘D’ Block, 3rd Floor, Gillander House,
Netaji Subhas Road, Kolkata - 700 001.
CIN: L51109WB1938PLC009490

Place: Mumbai
Dated: 24th August, 2020

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

Chirag A. Vora
Company Secretary, Compliance Officer
cum Legal Manager
(ACS-28776)

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide circular dated 12th May, 2020 (“SEBI Circular”) permitted the holding of the Annual General Meeting (“AGM”/“the Meeting”) through Video Conferencing / Other Audio Visual Means (“VC”/“OVAM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), MCA Circulars and SEBI Circular, the 81st Annual General Meeting (“the Meeting”) of the Company is being held through VC/OAVM. The deemed venue for the Meeting shall be the Registered Office of the Company.
2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“Explanatory Statement”) in relation to the Special Businesses to be transacted at the Meeting is annexed hereto and forms part of this Notice convening this AGM.
3. The Meeting has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 5th May, 2020 and SEBI Circular dated 12th May, 2020.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the Meeting. For this purpose, the Company has entered into arrangement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. For further details, please read the Note No. 36.
5. The Members can join the Meeting through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the Meeting through VC/OAVM will be made available to at least 1000 members on first come first served basis. However, the participation of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder’s Relationship/ Grievance Committee, Auditors, etc. are not restricted on first come first served basis.
6. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. However, pursuant to MCA Circulars and SEBI Circular, the Meeting will be held through VC/OAVM and the physical attendance of the Members in any case has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form and attendance sheets is not annexed to this Notice.
7. Pursuant to Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the Meeting to be conducted through VC/OAVM.
8. Corporate Members intending to attend the Meeting through their authorised representatives are requested to send a certified true copy of the Board Resolution or Power of Attorney, (PDF/JPG Format) if any, authorizing its representative to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent to the Company by email through its designated email address at cvora@adlindia.in with a copy marked to helpdesk.evoting@cdslindia.com and our RTA at mdpldc@yahoo.com.
9. In compliance with the aforesaid MCA Circulars and SEBI Circular, the Notice of AGM and Annual Report of the Company for the FY 2019-2020 are being sent in electronic mode to Members whose e-mail address is registered with the Company/RTA or the Depository Participant(s). Members holding physical share certificates are requested to directly register their email id and update their PAN (if not already registered/updated) by visiting the link provided by the Company’s Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Pvt. Ltd. as given below:

Link for email registration - <http://mdpl.in/form/email-update>

Link for PAN Update - <http://mdpl.in/form/pan-update>

Members holding demat shares are requested to register / update their email id through respective Depository Participants (DPs) only. (Any such updation effected by the DPs will automatically reflect in the Company's subsequent records.)

10. In line with MCA Circulars and SEBI Circular, the Notice calling the AGM and Annual Report for FY 2019-2020 has been uploaded on the website of the Company at www.albertdavidindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting) system during the AGM i.e. www.evotingindia.com.
11. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note no. 36. During the AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.
12. Members attending the Meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
13. M/s. Basu Chanchani & Deb, Chartered Accountants (ICAI Firm Registration No. 304049E) were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 78th Annual General Meeting of the members held on 12th September, 2017 at a remuneration to be mutually agreed upon by the Board of Directors and the Statutory Auditors.

Their appointment was subject to ratification by the Members at every subsequent AGM. However, pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute vide notification issued by the Ministry of Corporate Affairs effective from 7th May, 2018.

In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.
14. Notice is also given under Section 91 of the Act read with Regulation 42 of the Listing Regulations, that the Register of Members and the Share Transfer Book of the Company will remain closed from Friday, 18th September, 2020 to Friday, 25th September, 2020 (both days inclusive) for the purpose of the Meeting.
15. During the year 2019-2020, the Company declared and paid an Interim Dividend of Rs. 7/- per equity share (i.e. 70% of face value of Rs.10/- per share). The same shall be considered as final dividend.
16. 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 and all other documents referred to in the Notice will be available electronically for inspection by the members at AGM. Members are requested to write to cvora@adlindia.com for inspection of all relevant documents referred to in the accompanying Notice & Explanatory Statement through electronic means upon Log-in to CDSL e-Voting system at www.evotingindia.com up to the date of the Meeting.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialized form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details visiting the link <http://mdpl.in/form/pan-update> of the Company's Registrar and Share Transfer Agent M/s. Maheshwari Datamatics Pvt Ltd.

18. Share transfer/transmission/transposition/name deletion related documents and all correspondence relating thereto should be addressed to the Company's RTA M/s. Maheshwari Datamatics Pvt. Ltd., 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700001, Tel. Nos.: (033) 2248-2248/ 2243-5029; Fax No.: (033) 2248-4787, Email: mdpldc@yahoo.com.
19. Members are requested to intimate changes, if any, pertaining to their name, postal address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, to their Depository Participants ("DPs") in case the shares are held by them in dematerialized form and to the Registrar and Share Transfer Agents of the Company i.e. Maheshwari Datamatics Pvt. Ltd. ("MDPL") in case the shares are held by them in physical form, at: Maheshwari Datamatics Pvt. Ltd., 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700001, Tel. Nos.: (033) 2248-2248/ 2243-5029; Fax No.: (033) 2248-4787, Email: mdpldc@yahoo.com. Members who hold shares in physical form in multiple folios in identical name or joint holding in the same order of names are requested to send their share certificates to the RTA for consolidating into single folio. The share certificates will be returned to the Members after making requisite changes thereon.
20. The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with the RTA. The Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e-mail id along with the copy of the cheque leaf with the first named Shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. In case of any query, a Member may send an email to RTA at mdpldc@yahoo.com.
21. The Company, consequent upon the introduction of the Depository System ('DS'), entered into agreements with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). The Members, therefore, have the option of holding and dealing in the shares of the Company in dematerialised form through NSDL or CDSL.
22. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or RTA for assistance in this regard.
23. As per Regulation 40(7) of the Listing Regulations, read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copies of their Income Tax PAN Card. Additionally, for securities market transactions and / or for off market / private transactions involving transfer of shares in physical mode for listed Companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copies of PAN Card to the Company/ RTA for registration of such transfer of shares. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the legal heir(s) / nominee(s). In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 06, 2018.
24. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form using the link given at Note No. 9 above.
25. The DS envisages elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, mutilation of share certificates etc. Simultaneously, DS offers several advantages like elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.
26. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

27. Information pursuant to Section 196(4) of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards – 2 with respect to Directors seeking appointment / reappointment in the forthcoming Annual General Meeting is annexed to the Notice as **Annexure A**.
28. Pursuant to Section 72 of the Act, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to the RTA. Further, Members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14 to the RTA. These forms will be made available on request.
29. The Company has designated an exclusive email id i.e. adidavid@dataone.in to redress Members' complaints/ grievances. In case you have any queries/ complaints or grievances, then please write to us at adidavid@dataone.in.
30. Members who would like to express their views or ask questions during the Meeting may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at cvora@adlindia.com **up to 11th September, 2020 (5:00 p.m. IST)** with regard to the financial statements or any other matter to be placed at the Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The Members who do not wish to speak during the AGM but have queries may send their queries **up to 11th September, 2020 (5:00 p.m. IST)** mentioning their name, demat account number/folio number, email id, mobile number at cvora@adlindia.com. These queries will be replied to by the company suitably by email.
31. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
32. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the Meeting.
33. Pursuant to Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), dividends remaining unpaid or unclaimed for a period of seven years from the date of their transfer to the Unpaid Dividend Account(s) are required to be transferred to the Investor Education and Protection Fund Authority ("IEPF Authority") constituted by the Central Government. The underlying shares in respect of which dividends have remained unclaimed/unpaid for 7 consecutive years or more are also liable to be transferred to the demat account of the IEPF Authority. The Company has already transferred the unpaid or unclaimed dividend pertaining to the financial year 2011-2012 being Rs.3,01,990/- and also the underlying 1,679 equity shares of the Company to the demat account of the IEPF Authority. All subsequent unpaid dividend will be transferred to IEPF, from time to time.

In terms of Section 124 of the Act and the aforesaid Rules, the Company has duly published Notice in newspapers inviting attention of the Members whose dividends have remained unclaimed / unpaid for 7 years to claim their dividends. 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 IEPF Rules to take immediate action, latest by 31st August, 2020. The Company shall thereafter proceed to transfer the unpaid dividends pertaining to the financial year 2012-2013 and underlying shares to the IEPF Authority and no claim shall thereafter lie against the Company.

34. MCA on 10th May, 2012 notified the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 ("IEPF Rules"), which is applicable to the Company. The objective of the IEPF Rules is to help the Members to ascertain the status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends under "Investors Section" on the website of the Company. Members who have not encashed their dividend warrants after the unclaimed/ unpaid dividend is transferred to the designated account of IEPF can claim the same by making an online application in the prescribed Form IEPF 5 available on the website and send a physical copy of the Form IEPF 5 to the Company along with complete set of documents enumerated in the Form IEPF 5.

Further, unpaid/unclaimed dividend for the year ended 31st March, 2013 along with the underlying shares 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 31st March 2013, 31st March, 2014, 31st March, 2015, 31st

March, 2016, 31st March, 2017, 31st March, 2018, 31st March, 2019 and 31st March, 2020 are requested to claim the same from the Company immediately.

35. Since the Meeting will be held through VC/ OAVM, the Route Map and Attendance Slip are not annexed to this Notice.

36. Information and other instructions relating to e-voting are as under:

- I. Pursuant to the provisions of Section 108 and other applicable provisions of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, MCA Circulars and SEBI Circular the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.
- II. The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) to provide e-voting facility to the Members.
- III. 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, 18th September, 2020. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- IV. 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, 18th September, 2020, only shall be entitled to avail the facility of e-voting.
- V. The Board of Directors of the Company has appointed CS Ashok Kumar Daga (FCS-2699, CP No. 2948), Practicing Company Secretary, Kolkata, as Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- VI. The Scrutiniser, after scrutinizing the votes, will, not later than forty eight hours from the conclusion of the Meeting; make a consolidated Scrutiniser’s report which shall be placed on the website of the Company, i.e. www.albertdavidindia.com and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.
- VII. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. Friday, 25th September, 2020.

VIII. Information and other instructions relating to e-voting are as under:

- (i) The remote e-voting facility will be available during the following period:

Commencement of e-voting: From 9:00 a.m. (IST) on Tuesday, 22nd September, 2020.

End of e-voting: Up to 5:00 p.m. (IST) on Thursday, 24th September, 2020.

During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on cut-off date i.e. Friday, 18th September, 2020 may cast their votes electronically. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of the aforesaid period.

- (ii) The Members who have cast their vote by remote e-voting prior to the Meeting may also attend/ participate in the Meeting through VC / OAVM but shall not be entitled to cast their vote again.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on “Shreholders/Members” module.
- (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 Folio Number registered with the Company.
- (vi) Next, enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to 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> <p>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to send an email to the Company's RTA at mdpldc@yahoo.com to obtain a sequence number for such login.</p> |
| Dividend Bank Account Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Account Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> • 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 in instruction (v). |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach 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 also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that 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 Electronic Voting Sequence Number (EVSN) of "Albert David Limited" on which you choose to vote.
- (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 selecting the resolution, you have decided to vote on, 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 a demat account holder has forgotten the changed login 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

IX. Note for Non-Individual Shareholders and Custodians

- (i) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the Corporate module.
- (ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- (iii) 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.
- (iv) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- (v) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutiniser to verify the same.
- (vi) Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser or the Company at the email addresses viz. daga.ashok@gmail.com, or cvora@adlindia.in , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- (i) For Physical shareholders - Members are requested to directly register their email id/update their PAN by visiting the link of the Company's Registrar and Share Transfer Agent M/s. Maheshwari Datamatics Pvt. Ltd. as given below:
Link for email registration - <http://mdpl.in/form/email-update>
Link for PAN Updation - <http://mdpl.in/form/pan-update>
- (ii) For Demat shareholders - Register/Update through respective Depository Participants (DPs) (Any such updation effected by the DPs will automatically reflect in the Company's subsequent records)
- (iii) The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned Members.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) Shareholder will be provided with a facility to attend the Meeting through VC/OAVM through the CDSL e-voting system. Shareholders may access the same at www.evotingindia.com under Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholders/Members login where the EVSN of the Company will be displayed.
- (ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (iii) Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
- (iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE MEETING ARE AS UNDER:-

- (i) The procedure for e-voting on the day of the Meeting is same as the instructions mentioned above for remote e-voting.
- (ii) Only those Shareholders, who are present in the Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the Meeting.

- (iii) If any Votes are cast by the Shareholders through the e-voting available during the Meeting and if the same Shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-voting during the Meeting is available only to the shareholders attending the Meeting.
- (iv) Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at AGM.

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 under the help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Arghya Majumdar, Deputy Manager, CDSL, 22, Camac Street, Block A, 1st Floor, Kolkata - 700016, Tel: (033) 2282-1361, Email: arghyam@cdslindia.com / helpdesk.evoting@cdslindia.com

Members who need technical assistance before or during the AGM can send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

Registered Office:

‘D’ Block, 3rd Floor, Gillander House,
Netaji Subhas Road, Kolkata - 700 001.
CIN: L51109WB1938PLC009490

Place: Mumbai
Dated: 24th August, 2020

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

Chirag A. Vora
Company Secretary, Compliance Officer
cum Legal Manager
(ACS-28776)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 3

The Board of Directors at their meeting held on 29th June 2020, on the recommendation of the Audit Committee, has approved the appointment of M/s. S. Gupta & Co., Cost & Management Accountants (Firm Registration No.000020), as Cost Auditors of the Company, to conduct audit of the cost records of the Company for the financial year ending 31st March, 2021 at a remuneration of Rs. 40,000/- (Rupees Forty Thousand only) 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. 3 of the Notice convening this AGM for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2021.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 3 of the Notice convening this AGM.

The Board recommends the Ordinary Resolutions set out at Item No. 3 of the Notice of this AGM for approval by the members.

ITEM NO. 4

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 24th August, 2020 had appointed Dr. Monjori Mitra (DIN: 02761691) as an Additional Director (Non-Executive, Independent) on the Board of the Company w.e.f. 24th August, 2020, 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. Dr. Monjori Mitra holds office up to the date of this Annual General Meeting and is eligible for appointment as a Director

The Company has received consent in writing from Dr. Monjori Mitra to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, disclosure of non-disqualification in Form DIR-8 pursuant to Rule 14(1) of the Companies (Appointment & Qualification of Directors) Rules, 2014 and declaration of meeting the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Dr. Monjori Mitra has confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. In terms of the provisions of Section 149 and 152 read with Schedule IV of the Act, approval of the members is required at this AGM for her appointment as an Independent Director of the Company.

In the opinion of the Board of Directors, Dr. Monjori Mitra fulfills the conditions specified in the Act read with Rules made thereunder, and the Listing Regulations for her appointment as an Independent Director of the Company and is independent of the management of the Company. Having regard to the qualifications, experience and knowledge, the Board considers that her association would be of immense benefit to the Company. Accordingly, in compliance with the provisions of Section 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Act, and the Listing Regulations and based on recommendation of the Nomination and Remuneration committee, Dr. Monjori Mitra is proposed to be appointed as an Independent Director of the Company to hold office for a term of 5 years with effect from 24th August, 2020. The Company has received a notice in writing from a shareholder of the Company under Section 160 of the Act proposing her candidature for the office of Independent Director of the Company.

Details as required under Regulation 36(3) of the Listing Regulations and as per the Secretarial Standards are provided hereunder:

Brief resume and expertise of Dr. Monjori Mitra:

Dr. Monjori Mitra, aged about 58 years, holds M.B.B.S degree in Medical, D.C.H in Child Health and DNB in Pediatrics. She is also having a vast experience of about 24 years in Infectious disease and Vaccinology in Pediatrics. Presently she is professor at the Department of Pediatric Institute of Child Health Kolkata. She is recipient of (i) Purbanchal Pioneer

Award in Pediatrics, nominated by Indian Academy of Pediatrics, West Bengal Branch, by Indian Academy of Pediatrics, East Zone conference committee 2008 and (ii) National FIAP – awarded by Indian Academy of Pediatrics at Pedicon, 2012, Gurgaon.

Disclosure of relationship between Directors inter-se, Manager and Key Managerial Personnel: Dr. Monjori Mitra is not related to any Director, Manager or KMP of the Company.

Date of first appointment on the Board: 24th August, 2020

Names of Listed entities (other than Albert David Ltd.) in which Dr. Monjori Mitra holds Directorship/ Chairmanship and the Chairmanship/Membership of Board Committees: Nil

Details of shareholding of Dr. Monjori Mitra in Albert David Ltd: Nil

No. of Board Meetings attended during the year: Nil

Last drawn remuneration/ Details of remuneration sought to be paid: Dr. Monjori Mitra will be entitled to sitting fee as may be decided by the Board from time to time for attending meetings of the Board of Directors or Committee's thereof, if any.

It is proposed to appoint Dr. Monjori Mitra as an Independent Director for a term of 5 (five) consecutive years effective from 24th August, 2020, not liable to retire by rotation. A draft copy of the letter of appointment to be issued to Dr. Monjori Mitra setting out the terms and conditions would be available for inspection by the Shareholder at the AGM.

Having regard to the qualification, knowledge, experience and expertise, Dr. Monjori Mitra appointment as an Independent Director will be in the interest of the Company and the Board recommends her appointment as an Independent Director on the Board of the Company.

Except Dr. Monjori Mitra, 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. 4 of the Notice convening this AGM.

The Board recommends the Ordinary Resolutions set out at Item No. 4 of the Notice of this AGM for approval by the members.

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 1st April, 2018 to 31st March, 2021, which was approved by the Members of the Company at the 79th Annual General Meeting of the Company held on 3rd September, 2018.

Mr. A. K. Kothari's remuneration was fixed for the period from 1st April, 2018 to 31st March, 2019 and the Board of Directors was authorised to award annual increment to Mr. A. K. Kothari for the residual period, i.e. from 1st April, 2019 to 31st March, 2021. The Board of Directors on the recommendation of Nomination and Remuneration Committee and Audit Committee had approved the revised the remuneration payable to Mr. A. K. Kothari for the period 1st April 2019 to 31st March, 2020, which was approved by the Members of the Company at the 80th Annual General Meeting of the Company held on 9th August 2019.

During the financial year 2019-20, Mr. A. K. Kothari, Executive Chairman has attended all the meetings of the Board and Committees, wherein he is a member and actively participated in the meetings bringing his vast knowledge, experience and insight into the Board decision making. Mr. A. K. Kothari is very proactive in all areas of operations of the Company. Under his guidance and leadership, several initiatives and structural changes were taken by the Company to improve its performance and market standing in the highly competitive scenario. Further, there was creation and development of new marketing division of the Company. 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 13th February, 2020, as per the recommendation of the Nomination and Remuneration Committee and the Audit Committee, have considered revising the remuneration of Mr. A. K. Kothari for the period from 1st April, 2020 to 31st March, 2021, subject to the approval of members of the Company at the ensuing annual general meeting of the Company. The revised remuneration of Mr. A. K. Kothari is set out in the supplemental agreement dated 25th May, 2020 executed by and between the Company and Mr. A. K. 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.9,60,000/- (Rupees Nine Lakh Sixty Thousand only) per month for the period from 1st April, 2020 to 31st March, 2021.

All other terms and conditions including other allowances and benefits stipulated in the agreement dated 13th April, 2018 shall remain unchanged.

The remunerations and perquisites payable to Mr. A. K. Kothari shall be paid in accordance with the provisions prescribed under Schedule V of the Companies Act, 2013. This approval will be in terms of 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. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

Pursuant to provisions of Section 102(1) of the Act the extent of shareholding of Mr. A. K. Kothari and his relatives as on 31st March, 2020, are 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 | 17,527 (0.31%) |
| Mr. Anand Vardhan Kothari | 5,61,500 (9.84%) |
| Mrs. Vedika Kothari | 1500 (0.03%) |

Apart from Mr. A. K. Kothari, Mrs. Prabhawati Devi Kothari, Mr. A. V. Kothari and Mrs. Vedika 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 in the Company.

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 of this AGM for approval by the Members.

ITEM NO. 6

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

Dr. T. S. Parmar remuneration was fixed for the period from 1st April, 2018 to 31st March, 2019 and the Board of Directors were authorised to award annual increment to Dr. T. S. Parmar for the residual period, i.e. from 1st April, 2019 to 31st March, 2023. The Board of Directors on the recommendation of Nomination and Remuneration Committee and the Audit Committee had revised the remuneration payable to Dr. T. S. Parmar for the period 1st April 2019 to 31st March, 2020, which was approved by the Members at the 80th Annual General Meeting of the Company held on 9th August 2019.

Dr. T. S. Parmar brings with himself the vast knowledge, experience and insight into Pharma Industry. During the financial year 2019-20, Dr. T. S. Parmar as Managing Director & CEO has attended all the meetings of the Board and Committees. Dr. T. S. Parmar as Managing Director & CEO, took various steps to improvise the performance of the Company, which includes creation and development of new marketing divisions. Under his guidance, the Company has also entered into the generic drugs segment through contract manufacturing and its performance is expected to be impressive in reasonably short span of time. In view of valuable contribution made by Dr. T. S. Parmar towards the growth of the Company, the Board of Directors, at its meeting held on 13th February, 2020, as per the recommendation of the Nomination and Remuneration Committee and the Audit Committee, have considered revising the remuneration of Dr. T. S. Parmar for the period from 1st April, 2020 to 31st March, 2021, subject to the approval of Members of the Company at the ensuing annual general meeting of the Company. The revised remuneration of Dr. Tarminder Singh Parmar is set out in the supplemental agreement dated 25th May, 2020 executed by and between the Company and Dr. T. S. Parmar. The terms of remuneration are in accordance with Schedule V of the Companies Act, 2013.

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

REMUNERATION:

- A. **Salary:** Rs.9,60,852/- (Rupees Nine Lakh Sixty Thousand Eight Hundred Fifty Two only) per month for the period from 1st April, 2020 to 31st March, 2021.
- B. **Allowances / Benefits :**
1. **Special Allowance:** Rs.5,27,242/- (Rupees Five Lakh Twenty Seven Thousand Two Hundred Forty Two only) per month.
 2. **Variable Incentive:** Rs.44,00,000/- (Rupees Forty Four Lakh only) per annum.
 3. **Housing:** The Company shall provide rent-free furnished accommodation. In case no accommodation is provided by the company, the Managing Director & CEO shall be entitled to House Rent Allowance limited to 8% of his salary.
 4. **Medical Reimbursement and Leave Travel Assistance:** The Managing Director & CEO shall be reimbursed to the extent of 10% of his salary towards expenses incurred for self and family for Medical Expenses and Leave Travel anywhere in India.
 5. **Fee of Clubs:** Up to a maximum of two clubs. This will not include any admission or life membership fees.
 6. **Personal Accident Insurance/Life Insurance/Mediclaim Insurance:** As per Rules of the Company.
 7. **Ex-Gratia/Bonus:** In accordance with the Rules of the Company.
 8. **Company's contribution to Provident Fund:** As per the Rules of the Company.
 9. **Gratuity:** In accordance with Payment of Gratuity Act, 1972 and the Rules made there under.
 10. **Leave with full pay:** Encashment of leave will be permitted as per the Rules of the Company.
 11. **Use of Car for Company's business:** Any use of car for private purpose will be valued as per Income Tax Rules, 1962.
 12. Use of mobile and telephone.

All other terms and conditions stipulated in the agreement dated 13th April, 2018 shall remain unchanged.

The remunerations and perquisites payable to him shall be paid in accordance with the provisions prescribed under Schedule V of the Companies Act, 2013.

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. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

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

Apart from Dr. 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 Dr. 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 convening this AGM.

GENERAL INFORMATION ABOUT THE COMPANY:

- 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 | 2015-2016 | 2016-2017* | 2017-2018* | 2018-2019* | 2019-2020 |
|--|-----------|------------|------------|------------|-----------|
| Turnover | 32046.40 | 30479.75 | 28710.87 | 31270.41 | 31843.20 |
| Net Profit as per Profit & Loss Account (after extra-ordinary items) | 4799.59 | 1595.51 | 984.08 | 2663.99 | 1916.86 |
| Amount of Dividend paid (including Corporate Dividend Tax) | 377.81 | 377.81 | 378.44 | 412.82 | 481.62 |
| Rate of Dividend declared | 55% | 55% | 55% | 60% | 70% |

* Figures for 2016-2017, 2017-2018, 2018-2019 and 2019-2020 are as per revised Schedule III under Indian Accounting Standards (IND-AS) of the Companies Act, 2013.

5) Export performance and net foreign exchange earned: F.O.B. value of Export excluding Freight & Insurance during the year 2019-2020 is Rs. 1733.72 Lakhs.

6) Foreign investments or collaborations, if any: None

Basic Information:
Executive Chairman
Managing Director & CEO

- | | | |
|--------------------------------|---|--|
| 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. | Dr. Tarminder Singh Parmar joined the Company as CEO effective 24th January, 2017 and was appointed as the Managing Director & CEO of the Company effective 1st April, 2018. He possesses experience of over 30 years in Pharma industry. |
| 2. Past remuneration | : Rs.1,32,30,342/-for the year 2019-2020 Rs.1,13,14,619/-for the year 2018-2019 Rs.1,01,20,246/- for the year 2017-2018 | Rs.2,20,86,501/-for the year 2019-2020 Rs. 1,91,45,175/- for the year 2018-19 Rs.1,67,04,639/- for the year 2017-2018 |
| 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 67 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. A. K. Kothari looks after the overall management of the Company. | Dr. T. S. Parmar aged about 55 years joined the Company in January, 2017. Mr. T. S. 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 1st April, 2018, he was functioning as CEO of the Company. |
| 5. Remuneration proposed | : As set out in the Explanatory Statement. The remuneration has been recommended by the Nomination and Remuneration Committee and Audit Committee and approved by Board of Directors of the Company subject to approval of shareholders in ensuing AGM. | |

Executive Chairman**Managing Director & CEO**

- | | | |
|--|---|---|
| 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 Dr. 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 Dr. T. S. Parmar does not have any other pecuniary relationship with the Company. Dr. 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.

Registered Office:

'D' Block, 3rd Floor, Gillander House,
Netaji Subhas Road, Kolkata - 700 001.
CIN: L51109WB1938PLC009490

Place: Mumbai
Dated: 24th August, 2020

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

Chirag A. Vora
Company Secretary, Compliance Officer
cum Legal Manager
(ACS-28776)

Annexure - A

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 Companies in which Directorships held as on 31st March 2020* | Chairman / Member of the Committee of the Board of other Companies on which he/ she is a Director as on 31st March 2020 | Share-holding in the Company |
|--------------------------------------|--------------------------------|--|---|--------------------------------------|--|--|---|---|--|---|--------------------------------|
| Dr. Manjori Mitra (DIN: 02761691) | 12-02-1962 (Age - 58) | 24-08-2020 | Vast experience in pharmaceutical industry and specialized in Pediatrics | M.B.B.S, D.C.H., DNB (Pediatrics) | - | Appointment as Non-Executive Independent Director of the Company for 5 years with effect from 24th August, 2020 | Only sitting Fees. | Nil | Nil | Nil | Nil |
| Mr. A. K. Kothari (DIN: 00051900) | 10-07-1953 (Age - 66 years) | 20-06-1988 | Rich experience in the field of pharmaceuticals, chemicals, tea, textiles, machine tools etc. | B. Com | 5 | Revision in remuneration of Executive Chairman for the financial year 2020-2021 as stated in the explanatory statement. | Remuneration of Rs.1,65,05,760/- for the FY. 2020-21 (includes salary, allowances, Company's contribution to Provident Fund and taxable perquisites). | Remuneration of Rs.1,32,30,342/- for the FY. 2019-20 (includes salary, allowances, Company's contribution to Provident Fund and taxable perquisites). | <ul style="list-style-type: none"> • Gillanders Arbuthnot & Co. Ltd. • Bharat Fritz Werner Ltd. • Arvind Engineering Works Ltd. • Pilani Investments and Industries Corporation Ltd. | <ul style="list-style-type: none"> • 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 |
| Dr. T. S. Parmar (DIN: 05118311) | 12-05-1965 (Age - 55 years) | 01-04-2018 | Vast experience in pharmaceutical industry | B.Sc, MBA, PHD. | 5 | Revision in remuneration of Managing Director & CEO for the financial year 2020-21 as stated in the explanatory statement. | Remuneration of Rs.2,53,64,028/- for the FY. 2020-21 (includes salary, allowances, Company's contribution to Provident Fund and taxable perquisites). | Remuneration of Rs.2,20,86,501/- for the FY. 2019-20 (includes salary, allowances, Company's contribution to Provident Fund and taxable perquisites). | Nil | Nil | Nil |

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

Mr. A. K. Kothari is husband of Mrs. P. D. Kothari, Non-Executive Director.

Registered Office:

'D' Block, 3rd Floor, Gillander House,
Netaji Subhas Road, Kolkata - 700 001.
CIN: L51109WB1938PLC009490

Place: Mumbai
Dated: 24th August, 2020

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

Chirag A. Vora
Company Secretary, Compliance Officer
cum Legal Manager
(ACS-28776)

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 MEMBERS

Ladies & Gentlemen,

Your Directors have pleasure in presenting their 81st Annual Report on the business and operations of Albert David Limited (the "Company") along with the financial statements for the financial year ended on 31st March, 2020.

FINANCIAL HIGHLIGHTS/PERFORMANCE OF THE COMPANY:

| Particulars | (Rs. in Lakhs) | |
|---|----------------|-----------------|
| | 2019-2020 | 2018-2019 |
| Revenue from operations | 32079.50 | 31689.10 |
| Other Income | 711.09 | 678.54 |
| Total income from continuing operations | 32790.59 | 32367.64 |
| Earnings before Interest, Depreciation, Tax & Amortization | 3742.51 | 3644.66 |
| Finance Costs | 79.60 | 61.74 |
| Gross Profit (EBDTA) | 3662.91 | 3582.92 |
| Depreciation and Amortization | 767.47 | 697.80 |
| Profit before Tax (PBT) | 2895.44 | 2885.12 |
| Tax expense | 978.58 | 1112.69 |
| Net profit for the period from continuing operations | 1916.86 | 1772.43 |
| Profit for the period from discontinued operations | - | 891.56 |
| Profit for the period | 1916.86 | 2663.99 |
| Other Comprehensive Income: | | |
| From continuing operations | 212.80 | 164.36 |
| From discontinued operations | - | - |
| Total Comprehensive Income for the period | 2129.66 | 2828.35 |
| Retained Earnings – Opening Balance | 6991.47 | 4780.58 |
| Add: Profit for the year | 1916.86 | 2663.99 |
| Less: Dividend paid on Equity Shares during the year | 741.93 | 313.91 |
| Less: Corporate Dividend Tax paid during the year | 152.51 | 64.53 |
| Less: Re-measurement of defined benefit obligation transferred: | 57.31 | 74.66 |
| Total Retained Earnings | 7956.58 | 6991.47 |

BRIEF DESCRIPTION OF THE COMPANY'S PERFORMANCE DURING THE YEAR/ STATE OF COMPANY'S AFFAIRS:

The COVID-19 pandemic declared a global pandemic by WHO disrupted the global economy in the last quarter of the fiscal year. In enforcing social distancing to contain the spread of the pandemic as per ministerial guidelines, your Company took the decision to shut down its operations of head office situated at Kolkata and scale down the operations of its sales depots, and factories due to limited availability of manpower, logistics, and materials etc. Your Company has also implemented a phased and safe return-to-work plan, subsequent to relaxation of lockdown.

Your Company is planning to further strengthen its operations by revisiting and strengthening its product portfolio, marketing activities, operating structure as well as cost structure. It will not be out of place to mention here that during the year, a separate Marketing & Sales Office have been established at Mumbai, the pharmaceutical hub of the subcontinent, to gear up sales.

Your Directors are also striving to achieve further growth in sales and better financial performance in forthcoming year.

DIVIDEND:

Considering the fact that during the year under review, the Board of Directors (the "Board") declared an interim dividend of Rs. 7/- per equity share having face value of Rs.10/- each (70%) which amounts to Rs. 481.62 Lakhs including dividend distribution tax, no further dividend has been recommended for the year.

RESERVES:

Your Directors have proposed not to transfer any amount to General Reserves of the Company for the financial year 2019-20.

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 AFFECTING THE COMPANY:

There have been no material changes 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 statement relates and the date of this report, except for fallout COVID-19 pandemic affecting the economy as whole, we being no exception to it. The outbreak of COVID-19 and consequent imposition of national lockdown by the Government of India to deter its impact, seriously affected the economic activities and operational performance of the Company.

The management has considered the possible effect that may arise from the pandemic on the recoverability / carrying value of assets.

Based on the current indicators of future economic conditions, the Company management expects to recover the carrying amounts of the assets. However, as the trend suggests, future economic conditions may be subject to material changes in days ahead.

Given the uncertainty, the final impact on Company's assets in future may differ from that estimated at the date of closing of the financial statement of the Company.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

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

- a) 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. Every quarter Internal Auditors present their Internal Audit Report along with Management comments on the observations before the Audit Committee of the Company;
- b) Your Board 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 timely preparation of reliable financial information.
- c) The Company has ERP suite for a reliable, high end, comprehensive, disciplined and integrated business solution.
- d) The Company is complying with all the applicable Indian Accounting Standards (Ind AS). The accounting records are maintained in accordance with generally accepted accounting principles in India. This ensures that the financial statements reflect true and fair financial position of the Company.

DEPOSITS:

Your Company has not accepted/ invited any fixed deposit under Chapter V of the Companies Act, 2013 during the financial year under review and as such, no amount on account of principal or interest on deposits from public was outstanding as on 31st March, 2020.

STATUTORY AUDITORS:

M/s. Basu Chanchani & Deb, Chartered Accountants (ICAI Firm Registration No. 304049E), Kolkata, had been appointed as the Statutory Auditors of the Company, for a term of 5 (Five) consecutive years, at the 78th Annual General Meeting of the Company held on 12th September, 2017, to hold office till the conclusion of fifth consecutive AGM of the Company to be held in the year 2022.

They have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company. The Report given by the Statutory Auditors on the financial statements of the Company is enclosed with this Report.

The Statutory Auditors had not reported any fraud under Section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comment. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

Your Company does not have any subsidiary/ joint ventures/ associate companies.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 & 134(3) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed thereunder, the Board had appointed M/s. MKB & Associates, Practicing Company Secretaries (FRN: P2010WB042700), Kolkata, to undertake Secretarial Audit of the Company for the financial year ended 31st March, 2020 and their Report in the prescribed Form MR - 3 is attached as "Annexure - 1" to this Report.

There are no qualifications/observations 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 on recommendation of the Audit Committee had approved the appointment of 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 31st March, 2020.

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 framed thereunder, the remuneration payable to M/s. S. Gupta & Co. as Cost Auditors for the financial year 2020-21 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 of the Company.

No fraud has been reported by the Cost Auditors of the company.

SHARE CAPITAL:

During the year under review, the Company has not issued shares with differential voting rights or bought back any share or issued sweat equity shares. It does not have any scheme to fund its employees to purchase the shares of the Company.

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 framed thereunder is enclosed as "Annexure - 2" to this Report.

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 framed thereunder is attached in "Annexure - 3" to this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY:

The Company discharges its CSR duties as required under the provisions of section 135 of the Companies Act, 2013 read with rules framed thereunder. The Board on the recommendation of CSR Committee of the Company had adopted a CSR Policy which inter-alia states the CSR activities to be undertaken by the Company. The CSR Policy may be referred at the Company's official website at http://albertdavidindia.com/investor/sh_information/policy/Corporate%20Social%20Responsibility%20Policy.pdf.

Details about the Company's CSR Policy and initiatives undertaken by the Company and CSR expenses incurred during the financial year 2019–2020 are classified in the Report on CSR attached as "Annexure-4" to this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The constitution of the Board of the Company is in accordance with Section 149 of the Company Act, 2013 and Regulation 17 of the Listing Regulation.

a) Declaration by Independent Directors:

In terms of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), the Independent Directors are appointed for a term of five years and are not liable to retire by rotation.

The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as well as under the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Company has also received declarations from the Independent Directors that they 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 framed by the Company. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

b) Familiarization Program undertaken for Independent Directors

The Independent Directors are made to familiarize with the Company, enlightening them of their role, responsibilities and rights, in the Company, nature of the industry in which the Company operates, business model of the Company etc. as required under Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. On appointment, the Independent Director is issued a formal 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. They are also explained in detail, the various compliances required from them 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 to Independent Directors of the Company is available on the Company's website under the weblink: http://albertdavidindia.com/investor/sh_information/policy/familiarisation-program.pdf

c) Directors

In accordance with the Articles of Association of the Company, Mr. Arun Kumar Kothari (DIN: 00051900), Director of the Company, is liable to retire by rotation and who, being eligible, offers himself for reappointment. The Board recommends his reappointment with a view to avail his leadership, valuable advice and wise counsel.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee, in their respective meetings held on 24th August, 2020, appointed Dr. Monjori Mitra (DIN: 02761691) as an Additional Director (Non-Executive, Independent) of the Company for a term of 5 (five) consecutive years with effective from 24th August, 2020, subject to approval of the Members of the Company at the ensuing Annual General Meeting. The resolution(s) seeking her appointment along with her brief profile, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standards form part of the Notice convening this Annual General Meeting.

Brief profile of the Director(s) seeking appointment/reappointment, and other information as required under Section 196(4) of the Companies Act, 2013 and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards form part of the Notice convening this Annual General Meeting.

On the basis of the written representation received from the Directors, none of the Directors of the Company are disqualified / debarred to act as Director under the provisions of Section 164(2) of the Companies Act, 2013, Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and by virtue of any Order of the Ministry of Corporate Affairs, the SEBI or any other Authority.

d) Key Managerial Personnel

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

Dr. Indrajit Dhar, Associate Vice President (Accounts & Taxation)-cum-Company Secretary has relinquished his position as Company Secretary & Compliance Officer of the Company effective from the end of business hours of 29th June, 2020 and shall continue to discharge his responsibility as Associate Vice President (Accounts & Taxation). Mr. Chirag A. Vora (ACS-28776) has been appointed as the Company Secretary & Compliance Officer (KMP) cum Legal Manager of the Company with effect from 29th June, 2020. The brief profile of Mr. Chirag A. Vora is available on the website of the Stock Exchanges under relevant disclosure.

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 laying 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, etc.

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

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

b) Criteria for evaluation of the individual Directors

- (i) Commitment to the fulfillment of director's 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 and monitor corporate 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 results thereof.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review, five (5) Board meetings were held, i.e. on 29th May, 2019, 9th August, 2019, 14th November, 2019, 13th February, 2020 and 3rd March, 2020. The maximum time gap between any two consecutive meetings were 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 the Annual Report.

MEETING OF INDEPENDENT DIRECTORS:

During the year under review, a separate meeting of the Independent Directors of the Company was held on 13th February, 2020, wherein the performance of the Non-Independent Directors and the Board as a whole was evaluated. The Independent Directors at their meeting also assessed the quality, quantity and timeliness of flow of information between the Company 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, viz.:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders' Relationship/Grievance Committee
- d) Corporate Social Responsibility Committee

Details of all the above Committees along with composition, term of reference and meetings, etc., held during the year under review are provided in the Report on Corporate Governance forming part of 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' 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 UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 :

The Company as an organization is committed to provide a healthy environment to all 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 work place (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 2019-2020.

PARTICULARS OF LOANS, GURANTEES AND INVESTMENTS:

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

A Related Party Transaction Policy as formulated by the Board of Directors may be accessed at the Company's website at [http://albertdavidindia.com/investor/shinformation/policy /Policy_on_materiality_and_dealing_with_Related_Party_Transactions\(wef_01April2019\).pdf](http://albertdavidindia.com/investor/shinformation/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 were 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 any 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 forming part of the Annual Report which sets out the disclosure on related party transactions during the year.

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 read with 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 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2014 is attached as "Annexure - 7" to this Report.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS:

A separate report on Corporate Governance and Management Discussion and Analysis is annexed as part of the 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 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 sub-section (5) of Section 134, of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

- b) 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 31st March, 2020 and of the profit of the Company for that period ;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records for the year ended 31st March, 2020 in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a 'going concern basis';
- e) 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
- f) 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 ("IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund Authority ("IEPF Authority") established by the Central Government, after completion of seven years. Further, according to the IEPF Rules, the underlying 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. Thereafter, the Company has transferred such unpaid or unclaimed dividends amounting to Rs. 3,01,990/- and corresponding 1679 equity shares of the Company for the financial year ended on 31st March, 2012, to the IEPF Authority.

Members/claimants whose shares or unclaimed dividends have been transferred to the IEPF Authority's Demat Account or the Fund, as the case may be, may claim such 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, if any, 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 unpaid/unclaimed dividends and corresponding shares for the financial year ended on 31st March, 2013 to the IEPF Authority after 10th September, 2020. Members, therefore, are requested to immediately claim their dividends (and shares referred above), before they are transferred by the Company to the IEPF Authority. 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 hereby 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. Chirag A. Vora, Company Secretary, Compliance Officer Cum Legal Manager as the Nodal Officer for the purpose 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 Limited. and National Stock Exchange of India Limited and the Company has paid the Listing Fees to the said Stock Exchanges 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:

- a) Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
- b) Issue of Equity Shares (including Sweat Equity Shares) to employees of your Company, under any scheme;

- c) Your Company has not resorted to any buy back of its Equity Shares during the year under review
- d) Your Company does not have any subsidiaries;

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.

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

Dated: 24th August, 2020

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 – 700 017.

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

*[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 31st March, 2020, 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 31st March, 2020, 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 Company has passed special resolutions for revision in remuneration of Mr. Arun Kumar Kothari, Executive Chairman of the Company and Mr. Tarminder Singh Parmar, Managing Director & CEO of the Company for the period from 1st April, 2019 to 31st March, 2020 at their annual general meeting held on 9 August, 2019.

We further report that during the audit period, the Company has:

- i) declared final dividend of Rs.6/- per equity share of Rs.10/- each for the financial year ended 31st March, 2019 at annual general meeting on 9 August, 2019;
- ii) the Board of Directors in their meeting held on 3rd March, 2020, declared an interim dividend of Rs.7/- (Rupees Seven only) per equity share of Rs. 10/- each for the financial year ending on 31st March, 2020;
- iii) appointed Mr. Shirish G. Belapure, as an Independent Director of the Company for a term of 5 (five) years with effect from 14th February, 2019;

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

UDIN: A011470B000395141

Date: 29th June, 2020

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.

Note: There was lockdown declared by the Central Government in the country due to COVID-19 pandemic since 24th March 2020. During the Lockdown, for carrying on and completion of the Audit, documents /details have been provided by the Company through electronic mode only and the same have been verified by us.

For **MKB & Associates**
Company Secretaries

Manoj Kumar Banthia
(Partner)

ACS No. 11470

COP No. 7596

FRN: P2010WB042700

UDIN: A011470B000395141

Date: 29th June, 2020
Place: Kolkata

ANNEXURE - 2**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN****as on the Financial Year ended on 31st March, 2020**[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, NETAJI SUBHAS ROAD, KOLKATA – 700001. Tel.: 033-2262-8436/8456/8492,2230-2330 Fax: 033-2262-8439; 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. 23, R. N. MUKHERJEE ROAD, 5TH FLOOR, KOLKATA – 700001. Tel. : 033-2248-2248/2243-5029; Fax: 2248-4787 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 products / services | % to total turnover of the Company |
|---------|--|--|------------------------------------|
| 1 | Manufacture of Pharmaceuticals | 210 - Manufacture of Pharmaceutical Products | 75.21% |
| 2 | Trading of Pharmaceuticals | 46497 - Wholesale of Pharmaceuticals & Medical Goods | 24.79% |

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 [As on 01/Apr/2019] | | | | No. of Shares held at the end of the year [As on 31/Mar/2020] | | | | % change during the year |
|-----------|--------------------------|---|----------|----------------|-------------------|---|----------|----------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. | Promoters | | | | | | | | | |
| | (1) Indian | | | | | | | | | |
| | a) Individual / HUF | 668000 | 0 | 668000 | 11.70 | 682527 | 0 | 682527 | 11.95 | 0.25 |
| | b) Central Govt | - | - | - | - | - | - | - | - | - |
| | c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| | d) Bodies Corp. | 2807514 | 0 | 2807514 | 49.20 | 2807514 | 0 | 2807514 | 49.20 | - |
| | e) Banks / FI | - | - | - | - | - | - | - | - | - |
| | f) Any other | - | - | - | - | - | - | - | - | - |
| | Sub-total (A)(1) | 3475514 | 0 | 3475514 | 60.90 | 3490041 | 0 | 3490041 | 61.15 | 0.25 |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01/Apr/2019] | | | | No. of Shares held at the end of the year [As on 31/Mar/2020] | | | | % change during the year |
|---|--|-------------|----------------|-------------------|--|-------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other - Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Sub-total (A)(2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total shareholding of Promoters (A)=(A)(1)+(A)(2) | 3475514 | 0 | 3475514 | 60.90 | 3490041 | 0 | 3490041 | 61.15 | 0.25 |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 900 | 900 | 0.02 | 0 | 900 | 900 | 0.02 | - |
| b) Banks / FI | 7636 | 550 | 8186 | 0.14 | 5655 | 550 | 6205 | 0.11 | -0.03 |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | 246101 | 0 | 246101 | 4.31 | 216101 | 0 | 216101 | 3.79 | -0.52 |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Alternate Investment Funds | - | - | - | - | - | - | - | - | - |
| Foreign Portfolio Investors | 6661 | 0 | 6661 | 0.12 | 0 | 0 | 0 | 0.00 | -0.12 |
| Provident Funds / Pension Funds | - | - | - | - | - | - | - | - | - |
| Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| Sub-total(B)(1) :- | 260398 | 1450 | 261848 | 4.59 | 221756 | 1450 | 223206 | 3.92 | -0.67 |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 173328 | 825 | 174153 | 3.05 | 170931 | 825 | 171756 | 3.01 | -0.04 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 1441396 | 86335 | 1527731 | 26.77 | 1477888 | 77991 | 1555879 | 27.26 | 0.49 |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 144501 | 0 | 144501 | 2.53 | 141885 | 0 | 141885 | 2.49 | -0.04 |
| c) Others (Specify) | | | | | | | | | |
| Non Resident Indians | 78760 | 75 | 78835 | 1.38 | 89415 | 75 | 89490 | 1.57 | 0.19 |
| Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| Custodian of Enemy Property | - | - | - | - | - | - | - | - | - |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |
| Clearing Members | 18471 | 0 | 18471 | 0.32 | 7362 | 0 | 7362 | 0.13 | -0.19 |
| Trusts | - | - | - | - | - | - | - | - | - |
| Foreign Bodies-D R | - | - | - | - | - | - | - | - | - |
| Foreign Portfolio Investors | - | - | - | - | - | - | - | - | - |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01/Apr/2019] | | | | No. of Shares held at the end of the year [As on 31/Mar/2020] | | | | % change during the year |
|--|---|--------------|----------------|-------------------|---|--------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| NBFCs registered with RBI | 20 | 0 | 20 | 0.00 | 0 | 0 | 0 | 0.00 | -0.00 |
| Employee Trusts | - | - | - | - | - | - | - | - | - |
| Domestic Corporate Unclaimed Shares Account | - | - | - | - | - | - | - | - | - |
| Investor Education and Protection Fund Authority | 26089 | 0 | 26089 | 0.46 | 27543 | 0 | 27543 | 0.48 | 0.02 |
| Sub-total(B)(2):- | 1882565 | 87235 | 1969800 | 34.51 | 1915024 | 78891 | 1993915 | 34.94 | 0.43 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 2142963 | 88685 | 2231648 | 39.10 | 2136780 | 80341 | 2217121 | 38.85 | -0.25 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | 0.00 | - | - | - | 0.00 | - |
| Grand Total (A+B+C) | 5618477 | 88685 | 5707162 | 100.00 | 5626821 | 80341 | 5707162 | 100.00 | - |

ii) Shareholding of Promoters

| Sl. No. | Promoter's name | Shareholding at the beginning of the year | | | Shareholding 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 | 0.00 | 561500 | 9.84 | 0.00 | 0.14 |
| 2 | ARUN KUMAR KOTHARI | 87000 | 1.52 | 0.00 | 87000 | 1.52 | 0.00 | - |
| 3 | PARAMSUKHDAS SUGANCHAND HUF (KARTA - ARUN KUMAR KOTHARI) | 15000 | 0.26 | 0.00 | 15000 | 0.26 | 0.00 | - |
| 4 | PRABHAWATI DEVI KOTHARI | 12500 | 0.22 | 0.00 | 17527 | 0.31 | 0.00 | 0.09 |
| 5 | VEDIKA KOTHARI | 0 | 0.00 | 0.00 | 1500 | 0.03 | 0.00 | 0.03 |
| 6 | KOTHARI INVESTMENT & INDUSTRIES PRIVATE LIMITED # | 313900 | 5.50 | 0.00 | 2352231 | 41.22 | 0.00 | 35.72 |
| 7 | M.D. KOTHARI & COMPANY LIMITED | 393694 | 6.90 | 0.00 | 393694 | 6.90 | 0.00 | - |
| 8 | KOTHARI PHYTOCHEMICALS AND INDUSTRIES LIMITED | 61589 | 1.08 | 0.00 | 61589 | 1.08 | 0.00 | - |
| 9 | KOTHARI & COMPANY PRIVATE LIMITED # | 398341 | 6.98 | 0.00 | 0 | 0.00 | 0.00 | -6.98 |
| 10 | VISHNUHARI INVESTMENTS & PROPERTIES LIMITED # | 1139875 | 19.97 | 0.00 | 0 | 0.00 | 0.00 | -19.97 |
| 11 | BHAKTWATSAL INVESTMENTS LIMITED # | 99781 | 1.75 | 0.00 | 0 | 0.00 | 0.00 | -1.75 |
| 12 | COMMERCIAL HOUSE PRIVATE LIMITED # | 400334 | 7.01 | 0.00 | 0 | 0.00 | 0.00 | -7.01 |
| | TOTAL | 3475514 | 60.90 | 0.00 | 3490041 | 61.15 | 0.00 | 0.25 |

Bhaktwatsal Investment Limited, Commercial House Private Limited, Kothari Capital and Securities Private Limited, Vishnuhari Investments and Properties Limited have merged with Kothari Investment and Industries Private Limited ("Acquirer") and the investment and trading division of Kothari & Company Private Limited ("KCPL") has demerged and transferred to the Acquirer pursuant to a scheme of arrangement under Sections 230 – 232 of the Companies Act, 2013 and its allied rules, which has been approved by the National Company Law Tribunal, Kolkata Bench vide order dated 4 November 2019 and has become effective from 4 December 2019.

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

| Sl. No. | Name | 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 | 3490041 | 61.15 |
| | Date wise increase/decrease in Promoters' shareholding during the year specifying the reasons for increase/decrease | | | | |
| 1 | ANAND VARDHAN KOTHARI | | | | |
| | At the beginning of the year | 553500 | 9.70 | - | - |
| | Changes during the year | | | | |
| | Purchase on 16/08/2019 | 516 | 0.01 | 554016 | 9.71 |
| | Purchase on 23/08/2019 | 2484 | 0.04 | 556500 | 9.75 |
| | Purchase on 30/08/2019 | 1000 | 0.02 | 557500 | 9.77 |
| | Purchase on 17/01/2020 | 500 | 0.01 | 558000 | 9.78 |
| | Purchase on 13/03/2020 | 200 | 0.00 | 558200 | 9.78 |
| | Purchase on 20/03/2020 | 342 | 0.01 | 558542 | 9.79 |
| | Purchase on 27/03/2020 | 1458 | 0.03 | 560000 | 9.81 |
| | Purchase on 31/03/2020 | 1500 | 0.03 | 561500 | 9.84 |
| | At the end of the year | - | - | 561500 | 9.84 |
| 2 | ARUN KUMAR KOTHARI | | | | |
| | At the beginning of the year | 87000 | 1.52 | - | - |
| | Changes during the year | No change | - | - | - |
| | At the end of the year | - | - | 87000 | 1.52 |
| 3 | PARAMSUKHDAS SUGANCHAND HUF (KARTA - ARUN KUMAR KOTHARI) | | | | |
| | At the beginning of the year | 15000 | 0.26 | - | - |
| | Changes during the year | No change | - | - | - |
| | At the end of the year | - | - | 15000 | 0.26 |
| 4 | PRABHAWATI DEVI KOTHARI | | | | |
| | At the beginning of the year | 12500 | 0.22 | - | - |
| | Changes during the year | | | | |
| | Purchase on 20/09/2019 | 527 | 0.01 | 13027 | 0.23 |
| | Purchase on 20/03/2020 | 2500 | 0.04 | 15527 | 0.27 |
| | Purchase on 31/03/2020 | 2000 | 0.04 | 17527 | 0.31 |
| | At the end of the year | - | - | 17527 | 0.31 |
| 5 | VEDIKA KOTHARI | | | | |
| | At the beginning of the year | 0 | 0.00 | - | - |
| | Changes during the year | | | | |
| | Purchase on 31/03/2020 | 1500 | 0.03 | 1500 | 0.03 |
| | At the end of the year | - | - | 1500 | 0.03 |
| 6 | KOTHARI INVESTMENT & INDUSTRIES PRIVATE LIMITED # | | | | |
| | At the beginning of the year | 313900 | 5.50 | - | - |
| | Changes during the year | | | | |
| | Transfer on 27/12/2019 | 2038331 | 35.72 | 2352231 | 41.22 |
| | At the end of the year | - | - | 2352231 | 41.22 |
| 7 | M.D. KOTHARI & COMPANY LIMITED | | | | |
| | At the beginning of the year | 393694 | 6.90 | - | - |
| | Changes during the year | No change | - | - | - |
| | At the end of the year | - | - | 393694 | 6.90 |

| Sl. No. | Name | 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 |
| 8 | KOTHARI PHYTOCHEMICALS AND INDUSTRIES LIMITED | | | | |
| | At the beginning of the year | 61589 | 1.08 | - | - |
| | Changes during the year | No change | - | - | - |
| | At the end of the year | - | - | 61589 | 1.08 |
| 9 | COMMERCIAL HOUSE PRIVATE LIMITED # | | | | |
| | At the beginning of the year | 400334 | 7.01 | - | - |
| | Changes during the year | | | | |
| | Transfer on 27/12/2019 | -400334 | 7.01 | 0 | 0.00 |
| | At the end of the year | - | - | 0 | 0.00 |
| 10 | KOTHARI & COMPANY PRIVATE LIMITED # | | | | |
| | At the beginning of the year | 398341 | 6.98 | - | - |
| | Changes during the year | | | | |
| | Transfer on 27/12/2019 | -398341 | 6.98 | 0 | 0.00 |
| | At the end of the year | - | - | 0 | 0.00 |
| 11 | VISHNUHARI INVESTMENTS & PROPERTIES LIMITED # | | | | |
| | At the beginning of the year | 1139875 | 19.97 | - | - |
| | Changes during the year | | | | |
| | Transfer on 27/12/2019 | -1139875 | 19.97 | 0 | 0.00 |
| | At the end of the year | - | - | 0 | 0.00 |
| 12 | BHAKTWATSAL INVESTMENTS LIMITED # | | | | |
| | At the beginning of the year | 99781 | 1.75 | - | - |
| | Changes during the year | | | | |
| | Transfer on 27/12/2019 | -99781 | 1.75 | 0 | 0.00 |
| | At the end of the year | - | - | 0 | 0.00 |

Pursuant to the Scheme of Arrangement as referred above.

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 | 246101 | 4.31 | - | - |
| | Changes during the year | | | | |
| | Sale on 14/02/2020 | -30000 | 0.53 | 216101 | 3.79 |
| | At the end of the year | - | - | 216101 | 3.79 |
| 2 | ICICI BANK LIMITED | | | | |
| | At the beginning of the year | 5097 | 0.09 | - | - |
| | Changes during the year | | | | |
| | Purchase on 05/04/2019 | 4236 | 0.07 | 9333 | 0.16 |
| | Purchase on 12/04/2019 | 115 | 0.00 | 9448 | 0.17 |
| | Sale on 19/04/2019 | -677 | 0.01 | 8771 | 0.15 |
| | Purchase on 26/04/2019 | 1293 | 0.02 | 10064 | 0.18 |
| | Purchase on 03/05/2019 | 63 | 0.00 | 10127 | 0.18 |
| | Sale on 10/05/2019 | -1139 | 0.02 | 8988 | 0.16 |

| 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 17/05/2019 | -176 | 0.00 | 8812 | 0.15 |
| | Purchase on 24/05/2019 | 548 | 0.01 | 9360 | 0.16 |
| | Sale on 31/05/2019 | -1769 | 0.03 | 7591 | 0.13 |
| | Sale on 07/06/2019 | -232 | 0.00 | 7359 | 0.13 |
| | Sale on 14/06/2019 | -674 | 0.01 | 6685 | 0.12 |
| | Sale on 21/06/2019 | -561 | 0.01 | 6124 | 0.11 |
| | Sale on 28/06/2019 | -67 | 0.00 | 6057 | 0.11 |
| | Sale on 30/06/2019 | -6057 | 0.11 | 0 | 0.00 |
| | Purchase on 05/07/2019 | 5822 | 0.10 | 5822 | 0.10 |
| | Purchase on 12/07/2019 | 228 | 0.00 | 6050 | 0.11 |
| | Purchase on 19/07/2019 | 2170 | 0.04 | 8220 | 0.14 |
| | Purchase on 26/07/2019 | 462 | 0.01 | 8682 | 0.15 |
| | Purchase on 02/08/2019 | 665 | 0.01 | 9347 | 0.16 |
| | Purchase on 09/08/2019 | 98 | 0.00 | 9445 | 0.17 |
| | Purchase on 16/08/2019 | 543 | 0.01 | 9988 | 0.18 |
| | Purchase on 23/08/2019 | 271 | 0.00 | 10259 | 0.18 |
| | Sale on 30/08/2019 | -1463 | 0.03 | 8796 | 0.15 |
| | Sale on 06/09/2019 | -807 | 0.01 | 7989 | 0.14 |
| | Purchase on 13/09/2019 | 882 | 0.02 | 8871 | 0.16 |
| | Sale on 20/09/2019 | -121 | 0.00 | 8750 | 0.15 |
| | Sale on 27/09/2019 | -331 | 0.01 | 8419 | 0.15 |
| | Sale on 30/09/2019 | -3688 | 0.06 | 4731 | 0.08 |
| | Purchase on 04/10/2019 | 3172 | 0.06 | 7903 | 0.14 |
| | Purchase on 11/10/2019 | 515 | 0.01 | 8418 | 0.15 |
| | Sale on 18/10/2019 | -146 | 0.00 | 8272 | 0.14 |
| | Purchase on 25/10/2019 | 166 | 0.00 | 8438 | 0.15 |
| | Sale on 01/11/2019 | -753 | 0.01 | 7685 | 0.13 |
| | Purchase on 08/11/2019 | 94 | 0.00 | 7779 | 0.14 |
| | Purchase on 15/11/2019 | 99 | 0.00 | 7878 | 0.14 |
| | Purchase on 22/11/2019 | 11528 | 0.20 | 19406 | 0.34 |
| | Purchase on 29/11/2019 | 1108 | 0.02 | 20514 | 0.36 |
| | Sale on 06/12/2019 | -4527 | 0.08 | 15987 | 0.28 |
| | Purchase on 13/12/2019 | 540 | 0.01 | 16527 | 0.29 |
| | Sale on 20/12/2019 | -8169 | 0.14 | 8358 | 0.15 |
| | Purchase on 27/12/2019 | 150 | 0.00 | 8508 | 0.15 |
| | Purchase on 31/12/2019 | 11 | 0.00 | 8519 | 0.15 |
| | Purchase on 03/01/2020 | 500 | 0.01 | 9019 | 0.16 |
| | Sale on 10/01/2020 | -708 | 0.01 | 8311 | 0.15 |
| | Purchase on 17/01/2020 | 4423 | 0.08 | 12734 | 0.22 |
| | Purchase on 24/01/2020 | 931 | 0.02 | 13665 | 0.24 |
| | Sale on 31/01/2020 | -5279 | 0.09 | 8386 | 0.15 |
| | Purchase on 07/02/2020 | 5583 | 0.10 | 13969 | 0.24 |
| | Sale on 14/02/2020 | -506 | 0.01 | 13463 | 0.24 |
| | Sale on 21/02/2020 | -1318 | 0.02 | 12145 | 0.21 |
| | Sale on 28/02/2020 | -1898 | 0.03 | 10247 | 0.18 |
| | Sale on 06/03/2020 | -3655 | 0.06 | 6592 | 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 |
| | Purchase on 13/03/2020 | 4603 | 0.08 | 11195 | 0.20 |
| | Sale on 20/03/2020 | -7037 | 0.12 | 4158 | 0.07 |
| | Purchase on 27/03/2020 | 1358 | 0.02 | 5516 | 0.10 |
| | Purchase on 31/03/2020 | 139 | 0.00 | 5655 | 0.10 |
| | At the end of the year | - | - | 5655 | 0.10 |
| 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 |
| 4 | ARIHANT CAPITAL MARKETS LIMITED | | | | |
| | At the beginning of the year | 1124 | 0.02 | | |
| | Changes during the year | | | | |
| | Purchase on 05/04/2019 | 251 | 0.00 | 1375 | 0.02 |
| | Purchase on 12/04/2019 | 98 | 0.00 | 1473 | 0.03 |
| | Sale on 19/04/2019 | -79 | 0.00 | 1394 | 0.02 |
| | Sale on 26/04/2019 | -1158 | 0.02 | 236 | 0.00 |
| | Purchase on 03/05/2019 | 250 | 0.00 | 486 | 0.01 |
| | Purchase on 10/05/2019 | 753 | 0.01 | 1239 | 0.02 |
| | Sale on 17/05/2019 | -151 | 0.00 | 1088 | 0.02 |
| | Purchase on 31/05/2019 | 7759 | 0.14 | 8847 | 0.16 |
| | Purchase on 07/06/2019 | 3438 | 0.06 | 12285 | 0.22 |
| | Purchase on 14/06/2019 | 1994 | 0.03 | 14279 | 0.25 |
| | Sale on 21/06/2019 | -658 | 0.01 | 13621 | 0.24 |
| | Purchase on 28/06/2019 | 173 | 0.00 | 13794 | 0.24 |
| | Sale on 30/06/2019 | -13794 | 0.24 | 0 | 0.00 |
| | Purchase on 05/07/2019 | 14092 | 0.25 | 14092 | 0.25 |
| | Purchase on 12/07/2019 | 737 | 0.01 | 14829 | 0.26 |
| | Sale on 19/07/2019 | -50 | 0.00 | 14779 | 0.26 |
| | Purchase on 26/07/2019 | 20 | 0.00 | 14799 | 0.26 |
| | Purchase on 02/08/2019 | 41 | 0.00 | 14840 | 0.26 |
| | Purchase on 09/08/2019 | 589 | 0.01 | 15429 | 0.27 |
| | Purchase on 16/08/2019 | 1951 | 0.03 | 17380 | 0.30 |
| | Purchase on 23/08/2019 | 483 | 0.01 | 17863 | 0.31 |
| | Sale on 30/08/2019 | -5080 | 0.09 | 12783 | 0.22 |
| | Sale on 06/09/2019 | -1852 | 0.03 | 10931 | 0.19 |
| | Sale on 13/09/2019 | -1186 | 0.02 | 9745 | 0.17 |
| | Purchase on 20/09/2019 | 103 | 0.00 | 9848 | 0.17 |
| | Sale on 27/09/2019 | -18 | 0.00 | 9830 | 0.17 |
| | Sale on 30/09/2019 | -2 | 0.00 | 9828 | 0.17 |
| | Purchase on 04/10/2019 | 3 | 0.00 | 9831 | 0.17 |
| | Sale on 11/10/2019 | -2 | 0.00 | 9829 | 0.17 |
| | Purchase on 18/10/2019 | 399 | 0.01 | 10228 | 0.18 |
| | Purchase on 25/10/2019 | 732 | 0.01 | 10960 | 0.19 |
| | Purchase on 01/11/2019 | 620 | 0.01 | 11580 | 0.20 |
| | Sale on 08/11/2019 | -2968 | 0.05 | 8612 | 0.15 |
| | Purchase on 15/11/2019 | 118 | 0.00 | 8730 | 0.15 |

| 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 22/11/2019 | -7693 | 0.13 | 1037 | 0.02 |
| | Purchase on 29/11/2019 | 131 | 0.00 | 1168 | 0.02 |
| | Sale on 06/12/2019 | -509 | 0.01 | 659 | 0.01 |
| | Sale on 20/12/2019 | -465 | 0.01 | 194 | 0.00 |
| | Sale on 27/12/2019 | -12 | 0.00 | 182 | 0.00 |
| | Purchase on 31/12/2019 | 2 | 0.00 | 184 | 0.00 |
| | Purchase on 03/01/2020 | 495 | 0.01 | 679 | 0.01 |
| | Sale on 10/01/2020 | -647 | 0.01 | 32 | 0.00 |
| | Purchase on 17/01/2020 | 131 | 0.00 | 163 | 0.00 |
| | Sale on 24/01/2020 | -163 | 0.00 | 0 | 0.00 |
| | Purchase on 31/01/2020 | 140 | 0.00 | 140 | 0.00 |
| | Purchase on 07/02/2020 | 1713 | 0.03 | 1853 | 0.03 |
| | Purchase on 14/02/2020 | 2047 | 0.04 | 3900 | 0.07 |
| | Sale on 21/02/2020 | -1599 | 0.03 | 2301 | 0.04 |
| | Purchase on 28/02/2020 | 253 | 0.00 | 2554 | 0.04 |
| | Purchase on 06/03/2020 | 251 | 0.00 | 2805 | 0.05 |
| | Sale on 13/03/2020 | -1834 | 0.03 | 971 | 0.02 |
| | Purchase on 20/03/2020 | 2271 | 0.04 | 3242 | 0.06 |
| | Sale on 27/03/2020 | -1520 | 0.03 | 1722 | 0.03 |
| | Sale on 31/03/2020 | -200 | 0.00 | 1522 | 0.03 |
| | At the end of the year | - | - | 1522 | 0.03 |
| 5 | SUNIDHI CONSULTANCY SERVICES PVT. LTD. # | | | | |
| | At the beginning of the year | 13967 | 0.24 | - | - |
| | Changes during the year | | | | |
| | Sale on 05/04/2019 | -58 | 0.00 | 13909 | 0.24 |
| | Sale on 12/04/2019 | -73 | 0.00 | 13836 | 0.24 |
| | Purchase on 03/05/2019 | 31 | 0.00 | 13867 | 0.24 |
| | Purchase on 10/05/2019 | 1447 | 0.03 | 15314 | 0.27 |
| | Purchase on 17/05/2019 | 4365 | 0.08 | 19679 | 0.34 |
| | Sale on 31/05/2019 | -4909 | 0.09 | 14770 | 0.26 |
| | Sale on 07/06/2019 | -86 | 0.00 | 14684 | 0.26 |
| | Sale on 14/06/2019 | -5 | 0.00 | 14679 | 0.26 |
| | Purchase on 28/06/2019 | 3808 | 0.07 | 18487 | 0.32 |
| | Sale on 30/06/2019 | -18487 | 0.32 | 0 | 0.00 |
| | Purchase on 05/07/2019 | 18461 | 0.32 | 18461 | 0.32 |
| | Purchase on 12/07/2019 | 1218 | 0.02 | 19679 | 0.34 |
| | Sale on 09/08/2019 | -844 | 0.01 | 18835 | 0.33 |
| | Sale on 16/08/2019 | -3406 | 0.06 | 15429 | 0.27 |
| | Sale on 23/08/2019 | -1477 | 0.03 | 13952 | 0.24 |
| | Sale on 06/09/2019 | -421 | 0.01 | 13531 | 0.24 |
| | Sale on 20/09/2019 | -5000 | 0.09 | 8531 | 0.15 |
| | Sale on 27/09/2019 | -580 | 0.01 | 7951 | 0.14 |
| | Sale on 04/10/2019 | -1740 | 0.03 | 6211 | 0.11 |
| | Sale on 11/10/2019 | -220 | 0.00 | 5991 | 0.11 |
| | Sale on 18/10/2019 | -991 | 0.02 | 5000 | 0.09 |
| | Purchase on 08/11/2019 | 50 | 0.00 | 5050 | 0.09 |
| | Purchase on 15/11/2019 | 7266 | 0.13 | 12316 | 0.22 |

| 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 22/11/2019 | -7316 | 0.13 | 5000 | 0.09 |
| | Purchase on 13/12/2019 | 1100 | 0.02 | 6100 | 0.11 |
| | Sale on 20/12/2019 | -1093 | 0.02 | 5007 | 0.09 |
| | Sale on 27/12/2019 | -7 | 0.00 | 5000 | 0.09 |
| | Purchase on 21/02/2020 | 130 | 0.00 | 5130 | 0.09 |
| | Sale on 28/02/2020 | -130 | 0.00 | 5000 | 0.09 |
| | Purchase on 27/03/2020 | 125 | 0.00 | 5125 | 0.09 |
| | Sale on 31/03/2020 | -125 | 0.00 | 5000 | 0.09 |
| | At the end of the year | - | - | 5000 | 0.09 |
| 6 | SUPERLATIVE ADHESIVES PVT. LTD. | | | | |
| | At the beginning of the year | 17000 | 0.30 | - | - |
| | Changes during the year | No change | | | |
| | At the end of the year | - | - | 17000 | 0.30 |
| 7 | HASMUKH S DASANI (HUF) | | | | |
| | At the beginning of the year | 9100 | 0.16 | - | - |
| | Changes during the year | | | | |
| | Purchase on 06/12/2019 | 500 | 0.01 | 9600 | 0.17 |
| | Purchase on 13/12/2019 | 3400 | 0.06 | 13000 | 0.23 |
| | At the end of the year | - | - | 13000 | 0.23 |
| 8 | SSG PORTFOLIO (P) LTD. * | | | | |
| | At the beginning of the year | 0 | 0.00 | - | - |
| | Changes during the year | | | | |
| | Purchase on 13/03/2020 | 5938 | 0.10 | 5938 | 0.10 |
| | Purchase on 20/03/2020 | 5427 | 0.10 | 11365 | 0.20 |
| | Purchase on 27/03/2020 | 10546 | 0.18 | 21911 | 0.38 |
| | Sale on 31/03/2020 | -1857 | 0.03 | 20054 | 0.35 |
| | At the end of the year | - | - | 20054 | 0.35 |
| 9 | KALYANI P JAIN | | | | |
| | At the beginning of the year | 22838 | 0.40 | - | - |
| | Changes during the year | No change | - | - | - |
| | At the end of the year | - | - | 22838 | 0.40 |
| 10 | HASMUKH SHAMJI DASANI * | | | | |
| | At the beginning of the year | 9000 | 0.16 | - | - |
| | Changes during the year | | | | |
| | Purchase on 22/11/2019 | 4000 | 0.07 | 13000 | 0.23 |
| | Purchase on 06/12/2019 | 927 | 0.02 | 13927 | 0.24 |
| | Purchase on 13/12/2019 | 73 | 0.00 | 14000 | 0.25 |
| | At the end of the year | - | - | 14000 | 0.25 |
| 11 | VINAY JAIPRAKASH AMBEKAR | | | | |
| | At the beginning of the year | 28000 | 0.49 | - | - |
| | Changes during the year | | | | |
| | Sale on 31/05/2019 | -3000 | 0.05 | 25000 | 0.44 |
| | Sale on 23/08/2019 | -500 | 0.01 | 24500 | 0.43 |
| | Purchase on 13/12/2019 | 1250 | 0.02 | 25750 | 0.45 |
| | Purchase on 06/03/2020 | 1250 | 0.02 | 27000 | 0.47 |

| 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 |
| | Purchase on 13/03/2020 | 2000 | 0.04 | 29000 | 0.51 |
| | Purchase on 20/03/2020 | 750 | 0.01 | 29750 | 0.52 |
| | Purchase on 27/03/2020 | 1250 | 0.02 | 31000 | 0.54 |
| | At the end of the year | - | - | 31000 | 0.54 |
| 12 | MOHIB NOMANBHAI KHERICHA | | | | |
| | At the beginning of the year | 17499 | 0.31 | - | - |
| | Changes during the year | No change | - | - | - |
| | At the end of the year | - | - | 17499 | 0.31 |
| 13 | VINAY KUMAR ARORA | | | | |
| | At the beginning of the year | 12955 | 0.23 | - | - |
| | Changes during the year | | | | |
| | Sale on 24/01/2020 | -995 | 0.02 | 11960 | 0.21 |
| | Sale on 31/01/2020 | -924 | 0.02 | 11036 | 0.19 |
| | Sale on 14/02/2020 | -2083 | 0.04 | 8953 | 0.16 |
| | At the end of the year | - | - | 8953 | 0.16 |
| 14 | SACHIN KASERA | | | | |
| | At the beginning of the year | 23322 | 0.41 | - | - |
| | Changes during the year | | | | |
| | Sale on 05/04/2019 | -322 | 0.01 | 23000 | 0.40 |
| | Purchase on 14/06/2019 | 1194 | 0.02 | 24194 | 0.42 |
| | Purchase on 21/06/2019 | 2306 | 0.04 | 26500 | 0.46 |
| | Purchase on 30/08/2019 | 582 | 0.01 | 27082 | 0.47 |
| | Purchase on 06/09/2019 | 143 | 0.00 | 27225 | 0.48 |
| | Sale on 13/09/2019 | -725 | 0.01 | 26500 | 0.46 |
| | Purchase on 22/11/2019 | 10000 | 0.18 | 36500 | 0.64 |
| | Purchase on 06/12/2019 | 2059 | 0.04 | 38559 | 0.68 |
| | Purchase on 27/12/2019 | 441 | 0.01 | 39000 | 0.68 |
| | Purchase on 31/12/2019 | 370 | 0.01 | 39370 | 0.69 |
| | Purchase on 03/01/2020 | 630 | 0.01 | 40000 | 0.70 |
| | Purchase on 10/01/2020 | 2500 | 0.04 | 42500 | 0.74 |
| | Purchase on 14/02/2020 | 10000 | 0.18 | 52500 | 0.92 |
| | Purchase on 31/03/2020 | 1277 | 0.02 | 53777 | 0.94 |
| | At the end of the year | - | - | 53777 | 0.94 |
| 15 | RASHMI RANI PAHWA # | | | | |
| | At the beginning of the year | 20347 | 0.36 | - | - |
| | Changes during the year | | | | |
| | Purchase on 17/01/2020 | 700 | 0.01 | 21047 | 0.37 |
| | Sale on 21/02/2020 | -9487 | 0.17 | 11560 | 0.20 |
| | Purchase on 06/03/2020 | 1027 | 0.02 | 12587 | 0.22 |
| | Sale on 13/03/2020 | -2737 | 0.05 | 9850 | 0.17 |
| | At the end of the year | - | - | 9850 | 0.17 |

| 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 |
| 16 | INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS | | | | |
| | At the beginning of the year | 26089 | 0.46 | - | - |
| | Changes during the year | | | | |
| | Transfer on 21/06/2019 | -25 | 0.00 | 26064 | 0.46 |
| | Transfer on 09/08/2019 | -100 | 0.00 | 25964 | 0.45 |
| | Transfer on 13/09/2019 | -100 | 0.00 | 25864 | 0.45 |
| | Transfer on 11/10/2019 | 1529 | 0.03 | 27393 | 0.48 |
| | Transfer on 18/10/2019 | 150 | 0.00 | 27543 | 0.48 |
| | At the end of the year | 27543 | 0.48 | 27543 | 0.48 |

* Not in the list of Top 10 shareholders as on 01/04/2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2020.

Ceased to be in the list of Top 10 shareholders as on 31/03/2020. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2019.

v) Shareholding of Directors and Key Managerial Personnel

| Sl. No. | Name | 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 | - | - |
| | Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease | No change | - | - | - |
| | At the end of the year | - | - | 102000 | 1.79 |
| 2. | PRABHAWATI DEVI KOTHARI | | | | |
| | At the beginning of the year | 12,500 | 0.22 | 12,500 | 0.22 |
| | Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease | | | | |
| | Purchase on 20/09/2019 | 527 | 0.01 | 13027 | 0.23 |
| | Purchase on 20/03/2020 | 2500 | 0.04 | 15527 | 0.27 |
| | Purchase on 31/03/2020 | 2000 | 0.04 | 17527 | 0.31 |
| | At the end of the year | - | - | 17527 | 0.31 |
| 3. | SUBHASH CHANDRA SHAH | | | | |
| | At the beginning of the year | 50 | 0.00 | - | - |
| | Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease | No change | - | - | - |
| | At the end of the year | - | - | 50 | 0.00 |

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

Note: None of the other Directors and/or Key Managerial Personnel of the Company held any shares of the Company, either at the beginning or during 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 |
|--|--|--------------------|---------------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| 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 |
| Total (i+ii+iii) | 44.24 | Nil | 456.63 | 500.87 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | Nil | Nil | Nil | Nil |
| • Reduction | 44.24 | Nil | 6.71 | 50.95 |
| Net Change | (44.24) | Nil | (6.71) | (50.95) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | Nil | Nil | 449.92 | 449.92 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | Nil | Nil | 449.92 | 449.92 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Wholetime Directors and/or Manager

(Figures in Rs.)

| Sl. No. | Particulars | Name of MD/WTD/ Manager | | |
|---|---|--|--|-----------------------|
| | | Mr. A. K. Kothari Executive Chairman | Dr. T. S. Parmar Managing Director & CEO | Total Amount |
| 1. Gross salary | | | | |
| (a) | Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 1,20,13,542/- | 2,09,18,661/- | 3,29,32,203/- |
| (b) | Value of perquisites u/s. 17(2) of the Income Tax Act, 1961 | Nil | 32,400/- | 32,400/- |
| (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 | | Nil | Nil | Nil |
| -others, please specify | | Nil | Nil | Nil |
| 5. Others (Company's contribution to provident fund) | | 12,16,800/- | 11,35,440/- | 23,52,240/- |
| Total (A) | | 1,32,30,342/- | 2,20,86,501/- | 3,53,16,843/- |
| Ceiling as per the Act | | | | 3,53,16,843/-* |

*Note: Pursuant to Special Resolutions passed by the Members at the 80th AGM of the Company.

B. Remuneration to other Directors

(Figures in Rs.)

| Sl. No. | Particulars of Remuneration | Independent Directors | | | | Non- Executive Director | Total Amount |
|---------|---|-----------------------|-------------------|--------------------|-------------------------|------------------------------|----------------------|
| | | Mr. Rajiv Singhi | Mr. Hemal Kampani | Mr. Arindam Sarkar | Mr. Shirish G. Belapure | Mrs. Prabhawati Devi Kothari | |
| 1. | Fee for attending Board / Committee meetings | 2,65,000/- | 3,45,000/- | 1,15,000/- | 2,10,000/- | 2,25,000/- | 11,60,000/- |
| 2. | Commission | Nil | Nil | Nil | Nil | Nil | Nil |
| 3. | Others, please specify | Nil | Nil | Nil | Nil | Nil | Nil |
| | Total (B) | 2,65,000/- | 3,45,000/- | 1,15,000/- | 2,10,000/- | 2,25,000/- | 11,60,000/- |
| | Total Managerial Remuneration (A + B) | | | | | | 3,64,76,843/- |
| | Overall Ceiling as per the Act – 3,64,76,843/- | | | | | | |

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. | Gross salary | | | |
| (a) | Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 68,73,204/- | 33,33,986/- | 1,02,07,190/- |
| (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 | - | - | - |
| | - as % of profit | Nil | Nil | Nil |
| | - others, please specify | Nil | Nil | Nil |
| 5. | Others (Company's contribution to provident fund) | 6,24,600/- | 2,77,574/- | 9,02,174/- |
| | Total (A) | 75,30,204/- | 36,43,960/- | 1,11,74,164/- |

VII. Penalties / Punishment/ Compounding of Offences

There was no penalty, punishment or compounding of offences during the year ended 31st March, 2020.

For and on behalf of the
Board of Directors

A. K. Kothari
Executive Chairman
(DIN : 00051900)

Place : Kolkata
Date : 24th August, 2020

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, in this regard, 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. Condensate recovery system installed and maximum hot water above 70 degrees is being collected from different places and fed to the boiler for fuel savings.
3. Circulation system along with cooling tower system installed for reduction in cooling water consumption for Distillation plant, re granulation system. About 1 lac liters of water is being saved per day due to this modification.
4. RO water replaced with soft water wherever feasible, thereby reducing the load on RO membranes and increasing their shelf life by about 1 year. Approximate saving is about Rs 2 lakhs per year. Also it has reduced the load of ETP by 50%.
5. CFL lights replaced with LED lights, thereby reduction in power consumption.
6. Energy audit conducted and action plan initiated to reduce energy costs by replacing some pumps/ motors with lower capacities as per actual requirement.
7. New single high energy efficient 360 ton chiller ordered for replacing the 3 old low efficiency chillers to reduce the energy cost.
8. Non operating 6 ton gas boiler made functional and put in use, thereby 8 ton gas boiler usage stopped and thereby reduced the fuel consumption by about Rs 40,000/- per day.

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

None.

iii) Capital investment on energy conservation equipments

Approximate - Rs. 65 lakhs.

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 Limited is located at 5/11, D. Gupta Lane, Kolkata-700050 (W.B.) and aligned 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 mainly in areas of formulation & API development, process development, enhancing quality standards and troubleshooting issues. 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.

The 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. ADL has recently applied for provisional patent application for 'Therapeutic Components of human placental extract and process of preparation thereof'.

An anti-leishmaniasis drug, Miltefosine manufacturing process has been developed and further process optimization is under process. This drug will be able to provide sustainable treatment option for leishmaniasis (PKDL, ML & CL) worldwide. Technology development work is going to the level of WHO standards to enable the product comparable with international brands.

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 technical documents 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

| No. Sl. | Particulars | (Rs. in Lakhs) | |
|------------|--|-----------------------------|-----------------------------|
| | | Financial Year 2019-2020 | Financial Year 2018-2019 |
| 1. | Capital Expenditure | - | - |
| 2. | Revenue Expenditure | 163.69 | 257.57 |
| | Total | 163.69 | 257.57 |
| 3. | Total R&D Expenditure as a percent of total turnover | 0.51% | 0.81% |

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. 1766.32 Lakhs (Previous Year Rs. 2497.82 Lakhs).

Outgo in foreign currency – Rs. 1784.94 Lakhs (Previous Year Rs. 2827.62 Lakhs).

For and on behalf of the
Board of Directors

A. K. Kothari
Executive Chairman
(DIN : 00051900)

Place : Kolkata
Date : 24th August, 2020

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 web-link 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

2. Composition of the CSR Committee:

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

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

Average Net Profit for the preceding three Financial Years: Rs.2203.98 Lakhs as per Section 135(5) of the Companies Act, 2013.

4. CSR Expenditure

| | | |
|-----|---|------------------------|
| (a) | Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): | Rs. 44.08 Lakhs |
| (b) | CSR Expenditure unspent in previous year carried forward: | Rs. 9.82 Lakhs |
| | Total : | Rs. 53.90 Lakhs |

5. Details of CSR spend during the financial year:

| | | |
|-----|---|------------------|
| (a) | Total amount spent during the financial year: | Rs. 44.74 Lakhs. |
| (b) | Amount unspent, if any: | Rs. 9.16 Lakhs |

(c) 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. | Promotion of special education | Promotion of special education | Kolkata, West Bengal. | 60,000/- | 60,000/- | 121,000/- | Through Implementing Agency - Indian Institute of Cerebral Palsy, Kolkata. |
| 2. | Running and maintenance of hostel for girl studying in Govt. Schools in Gosaba, Sunderban, 24 Parganas(S) | Promotion of education. | Gosaba, Sunderban, 24 Parganas(S), West Bengal. | 3,00,000/- | 3,00,000/- | 3,00,000/- | Through Implementing Agency - Purvanchal Kalyan Ashram, Kolkata |
| 3. | Setting up a Cold Water Booth-cum-Dispense & one Smart Board at Nabajatak Vidyabhaban for Girls, Kolkata. | Making available safe drinking water and promotion of education. | Near Company's factory at Kolkata, West Bengal. | 2,28,312/- | 1,77,354/- | 3,23,674/- | Direct |
| 4. | Setting up a Cold Water Booth-cum-Dispense at Sinthi Ramkrishna Sangha Vidyamandir for Girls, Kolkata. | Making available safe drinking water. | Near Company's factory at Kolkata, West Bengal. | 2,13,312/- | 1,54,560/- | 3,43,672/- | Direct |
| 5. | One Smart Class Room for new college/ building adjacent to Mandir Complex at Dakshineswar Ramkrishna Sangha Adyapeath, Kolkata. | Promotion of education. | Near Company's factory at Kolkata, West Bengal. | 1,60,000/- | 1,36,500/- | 1,36,500/- | Direct |
| 6. | Illuminating a part of College / Campus adjacent to Mandir by installing Solar Panel at Dakshineswar Ramkrishna Sangha Adyapeath, Kolkata. | Promotion of education. | Near Company's factory at Kolkata, West Bengal. | 3,87,901/- | 3,39,332/- | 3,39,332/- | Direct |
| 7. | Undertaking steps and measures to prevent soil erosion by River Ganga at Hooghly District, West Bengal. * | Ensuring environmental sustainability and ecological balance. | Near Company's factory at Kolkata, West Bengal. | 33,06,000/- | 33,06,000/- | 33,06,000/- | Through Implementing Agency – Kothari Group CSR Trust |
| TOTAL | | | | - | 44,73,746/- | - | - |

*Note: During the financial year ended 31st March, 2020 the Company has contributed a sum of Rs.33.06 Lakhs for undertaking the project at Sl. No.7 above. The implementing agency will utilize the aforesaid amount in the forthcoming year.

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 and also through Implementing Agencies. 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 31st March, 2020 and hence it was decided to carry forward the unspent amount of Rs.9.16 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 | A. K. Kothari (DIN : 00051900) | T. S. Parmar (DIN : 05118311) | A. Sarkar (DIN : 06938957) | S. G. Belapure (DIN: 02219458) |
| Date: 24th August, 2020 | 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/ Whole-time / 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.

ANNEXURE - 6**Statement of particulars as per Rule 5(1) of the 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 ended on 31st March, 2020:**

| 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 | 25.96 |
| 2. | Dr. Tarminder Singh Parmar | Managing Director & CEO | 45.74 |
| 3. | Mrs. Prabhawati Devi Kothari | Non-Executive Director | 0.48 |
| 4. | Mr. Rajiv Singhi | Independent Director | 0.56 |
| 5. | Mr. Hemal Kampani | Independent Director | 0.73 |
| 6. | Mr. Arindam Sarkar | Independent Director | 0.24 |
| 7. | Mr. Shirish G. Belapure | Independent Director | 0.45 |

Note: Mrs. P. D. Kothari, Non-Executive Director and Mr. R. Singhi, Mr. H. Kampani, Mr. A. Sarkar & Mr. S. G. Belapure, Independent Directors, received only sitting fees for attending Board and Committee meetings.

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 / KMP | Designation | Percentage increase in remuneration |
|---------|------------------------------|--|-------------------------------------|
| 1. | Mr. Arun Kumar Kothari | Executive Chairman | 15.73% |
| 2. | Dr. Tarminder Singh Parmar | Managing Director & CEO | 15.40% |
| 3. | Mrs. Prabhawati Devi Kothari | Non-Executive Director | 25.00% |
| 4. | Mr. Rajiv Singhi | Independent Director | 32.50% |
| 5. | Mr. Hemal Kampani | Independent Director | 23.21% |
| 6. | Mr. Arindam Sarkar | Independent Director | -28.13% |
| 7. | Mr. Shirish G. Belapure | Independent Director | 425.00% |
| 8. | Mr. Subhash Chandra Shah | Vice President (Finance) & CFO | 8.98% |
| 9. | Mr. Indrajit Dhar | Associate Vice President (Accounts & Taxation)-cum-Company Secretary | 9.28% |

Note: Employee at Sl. No. 9 has ceased to be Company Secretary (KMP) w.e.f 29th June, 2020.

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

9.71%

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

There were 1431 permanent employees on the rolls of the Company as on 31st March, 2020

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 8.66% in the financial year 2019-2020 and average salary increase of managerial employees is 13.87%. 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 31st March, 2020 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 : 24th August, 2020

ANNEXURE - 7

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

(Figures in Rs.)

| Sl. No. | Name | Designation/ Nature of Employment | Remuneration received during the year (Rs.) | Qualification(s) | Experience (in years) | Age (in years) | Date of commencement of employment | Last employment held before joining the Company |
|---------|-------------------|--|---|------------------------|-----------------------|----------------|------------------------------------|--|
| 1 | Dr. T. S. Parmar | Managing Director & CEO | 2,20,86,501/- | B.Sc., MBA, PhD | 33 | 55 | 24/01/2017 | President, Jubilant Life Sciences Ltd. |
| 2 | Mr. A. K. Kothari | Executive Chairman | 1,32,30,342/- | B.Com | 41 | 68 | 01/07/2008 | None |
| 3 | Mr. S. C. Shah | Vice President (Finance) & CFO | 75,30,204/- | B.Com (Hons), ACA, ACS | 41 | 64 | 02/11/1992 | Registrar, Birla Jute & Industries Ltd. |
| 4 | Mr. P. K. Jain | Vice President (Works), Kolkata | 61,14,922/- | M. Pharm | 41 | 65 | 29/07/1998 | DGM, J K Drugs & Pharmaceuticals Ltd. |
| 5 | Mr. T. Neogi | Associate Vice President (Quality Assurance) | 53,23,700/- | M. Pharm | 35 | 58 | 06/05/2003 | DGM – Validation, Nicholas Piramal India Ltd. |
| 6 | Mr. D. Chitlangia | Associate Vice President (Commercial), Ghaziabad | 47,20,058/- | B.Com, FCA | 39 | 63 | 01/10/1980 | None |
| 7 | Mr. R. K. Mundhra | GM (Commercial)-cum-Factory Manager, Kolkata | 36,55,481/- | B.Com | 44 | 63 | 17/05/1978 | Accounts Assistant, Kothari Scientific Research Institute |
| 8 | Dr. I. Dhar | Associate Vice President (Accounts & Taxation)-cum-Company Secretary | 36,43,960/- | M.Com, Phd., ACA, ACS | 33 | 56 | 11/11/1996 | Finance Controller & Company Secretary, Tata Precision (India) Pvt. Ltd. |
| 9 | Mr. B. L. Damani | DGM (Accounts) | 35,96,488/- | B.Com.(Hons), ACA, ACS | 32 | 55 | 21/04/1997 | Manager(Finance), Envee Electricals Pvt. Ltd. |
| 10 | Mr. Mohd. Zubair | Sales Manager | 35,84,966/- | B.Sc. | 40 | 62 | 13/11/1979 | 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, Non-Executive 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 2019-20, 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 2019-20, 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. 8 has ceased to be Company Secretary (KMP) w.e.f 29th June, 2020.

For and on behalf of the
Board of Directors

A. K. Kothari
Executive Chairman
(DIN : 00051900)

Place : Kolkata
Date : 24th August, 2020

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 notes to financial statements forming part of the Annual Report. Salient features of financial performance during Financial Year 2019-2020 vis-à-vis Financial Year 2018-2019 are undernoted:

(Rs. in Lacs)

| Continuing Operations | 2019-2020 | 2018-2019 |
|---|------------------|------------------|
| Revenue from Operations | 32079.50 | 31689.10 |
| Other Income | 711.09 | 678.54 |
| Earning before interest, depreciation, tax & amortization | 3742.51 | 3644.66 |
| Gross Profit (EBDTA) | 3662.91 | 3582.92 |
| Profit before exceptional item & tax | 2895.44 | 2885.12 |
| Exceptional Item | - | - |
| Profit after tax from Continuing Operations | 1916.86 | 1772.43 |
| Discontinued Operations | - | - |
| Profit/(Loss) after tax from Discontinued Operations | - | 891.56 |

INDUSTRY STRUCTURE & DEVELOPMENTS

India has a prominent and rapidly growing presence in the global pharma landscape with worldwide 3rd ranking in terms of production by volume and 10th by value. India is the No.1 country outside USA, with the largest number of FDA-compliant pharma (including APIs) plants, 1400+WHO-GMP certified plants, 250+ European Directorate of Quality Medicines (EDQM) approved plants with modern state of the art technology. Notably, India is the source of 60,000+ generic brands across 60+ therapeutic areas and manufacturers as well 500+ different APIs.

India is home to more than 3000 pharma companies with strong network of manufacturing facilities with heterogeneous mix of large, medium and small players, both organized and unorganized, under domestic or multinational brand name. The industry is highly fragmented with nearly 15,000 small manufacturing units mostly in the unorganized sector and 300-400 units in the medium-large organized sector with the organized players dominating the formulations market. Branded Generic drugs account for ≈70%+ market share forming largest segment of Indian pharmaceutical industry and is set to grow as exports to US rise as on account of continuing patent expiries.

OUTLOOK

The Indian pharmaceutical industry & IPM has advantage of strong growth drivers, primarily, the rising global demography which is expected to cross 9.30 billion by 2050 with 20%+ skewed towards the 60+ years age group, prevalence of lifestyle diseases driven by rapid urbanization and changing lifestyles, growing middle class, affordable generics, improved access to healthcare, expanding health insurance coverage and innovation/emerging pipeline products which will continue to drive volume and value of the industry.

OPPORTUNITIES AND THREATS

As per IQVIA, turnover of the IPM reached ≈Rs.1.50 trillion (USD 22 billion) in Financial Year 2019-2020, a growth of 10.8% over previous year. Going forward, IQVIA projects IPM to register a CAGR of 8-11% over 2020-2024 to reach USD 31-35 billion in 2024 which is 2X the rate of growth compared to global peers. As per ICRA estimate, Indian pharmaceutical industry is likely to grow 10-13% in FY 2021 on the backdrop of healthy domestic market demand.

The key sensitivities to growth and profitability will be strict regulatory overview, restrictive price controls, FDC bans, cross-border dependency for APIs, resource constrain for R&D, compulsory genericisation of the domestic market and China's growing presence in bio-pharma domain. Moreover, the IPM which was otherwise considered immune to

broader economic situations, has shown to defy that trend and has slowed down in tandem with the broader economy impacted by the outbreak of COVID-19 pandemic and other macro-economic factors. On the silver lining, are India's promising domestic market and global exports component.

RISK & CONCERN

The Indian pharmaceutical industry faces multitude of laws right from manufacture of drugs to marketing thereof. Further strengthening of applicable regulations and occasional ban on certain products/FDCs remain areas of concern, apart from general business risks and uncertainties from broader socio-economic parameters.

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. Reputed firms of Chartered Accountants carry out audit throughout the year and Internal Audit Reports and action taken reports are periodically reviewed by the Audit Committee of the Board of Directors.

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

At 'Albert David', "Adds life to life" is a simple yet profound theme that defines our efforts and reflects our mindset, aspiration and vision. The Company believes that the quality of its employees is the key to organizational success, and thus, is committed to extend necessary development and training opportunities for enhancement of faculties and skill sets.

Industrial relations during the year were cordial and the Company is committed to maintain good industrial relations through effective communication, meetings and negotiations with unionized factory & field force, keeping the overall interest of the Company as paramount.

Total employee strength of the Company as on 31st March, 2020 stood at 1431.

SEGMENT-WISE PERFORMANCE

Performance of the Company is not segment-able 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.318.43 Cr. and recorded a Gross Profit of Rs. 36.63 Cr. compared to previous year's Net Sales of Rs.312.70 Cr. and Gross Profit of Rs. 35.83 Cr. This was in the backdrop of the full year investment in the new Division II.

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 2019-2020 is 10.15% vis-à-vis. 9.80% 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 2018-2019 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 developments, risks 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 : 24th August, 2020

ALBERT DAVID LIMITED

(CIN : L51109WB1938PLC009490)

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CORPORATE GOVERNANCE

The Report on Corporate Governance is prepared pursuant to Regulation 34(3) read with Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Regulations"/ "Listing Regulations").

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Albert David Limited (the "Company") has always endeavored to achieve good and responsible Corporate Governance based on the philosophy, that the Company belongs to the stakeholders and core corporate objective is to maximize its value and growth. Transparency and accountability are the fundamental principles of sound governance, which ensures that the Company is managed and monitored in a responsible manner for creating and sharing stakeholders' value. The Corporate Governance framework ensures, inter alia, timely disclosure and accuracy of information regarding the Company's financial health and performance including various facets of its leadership. The team at Albert David Limited strives to be a wealth creator to meet stakeholders' expectations with aspiration to be a responsible corporate citizen in its societal commitments. In order to achieve its goals, the Company adheres to the norms to utilize its resources with accountability and professionalism to cater to exigencies of the customers, deliver in terms of their expectations, meet the commitments with vendors, employees, government, customers and also the general public at large. 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. THE BOARD OF DIRECTORS**Composition of the Board**

The composition of the Board of Directors of the Company (the "Board") is in conformity with Regulation 17 of the Listing Regulations, Section 149 of the Companies Act, 2013 ("Act") read with Rules framed thereunder and the Article of Association of the Company. As at 31st March, 2020, the Board comprised of Seven (7) Directors with optimum combination of Executive Directors, Non-Executive Directors and Non-Executive (Independent) Directors (including One Woman Director). More than fifty percent of the Board comprised of Non-Executive (Independent) Directors.

The Board composition represents an optimal mix of professionalism, knowledge, expertise and experience which enables the Board to discharge its responsibilities and provide effective leadership to the business.

As on 31st March, 2020, your Company's Board comprised of 7 Directors, categorised as under:

| Sl. No. | Name | Designation | Category | Relationship with other Director(s) | Shareholding in the Company |
|---------|--|--------------------|-----------------------------------|--|-----------------------------|
| 1. | Mr. Arun Kumar Kothari (DIN: 00051900) | Executive Chairman | Promoter & Executive Director | Spouse of Mrs. Prabhawati Devi Kothari | 87,000 |
| 2. | Mrs. Prabhawati Devi Kothari (DIN:00051860) | Director | Promoter & Non-Executive Director | Spouse of Mr. Arun Kumar Kothari | 17,527 |

| Sl. No. | Name | Designation | Category | Relationship with other Director(s) | Shareholding in the Company |
|---------|--|-------------------------|--------------------------------------|-------------------------------------|-----------------------------|
| 3. | Dr. Tarminder Singh Parmar (DIN:05118311) | Managing Director & CEO | Executive Director | - | - |
| 4. | Mr. Rajiv Singhi (DIN:00071285) | Director | Non-Executive (Independent) Director | - | - |
| 5. | Mr. Hemal Kampani (DIN:00057715) | Director | Non-Executive (Independent) Director | - | - |
| 6. | Mr. Arindam Sarkar (DIN:06938957) | Director | Non-Executive (Independent) Director | - | - |
| 7. | Mr. Shirish Gundopant Belapure (DIN:02219458) | Director | Non-Executive (Independent) Director | - | - |

Board Meetings & Procedure

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

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

Information Placed before Board of Directors

Your Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board/ Committees, to the extent it is applicable and relevant. Such information is either circulated in advance as part of the agenda papers of the respective meetings or is presented/ discussed at the meetings.

Number and date of Board Meetings held during the financial year 2019-20 and attendance of the Directors

The Board of Directors met 5 (Five) times during the financial year 2019-20 as follows, and the maximum gap between any two consecutive meetings was less than 120 days, as stipulated under Section 173(1) of the Companies Act, 2013 and Regulation 17(2) of the Listing Regulations. Also, the necessary quorum was present for all the meetings.

| Sl. No. | Date of Board Meeting | Total strength of the Board | No. of Directors present |
|---------|-----------------------|-----------------------------|--------------------------|
| 1. | 29th May, 2019 | 7 | 7 |
| 2. | 9th August, 2019 | 7 | 7 |
| 3. | 14th November, 2019 | 7 | 6 |
| 4. | 13th February, 2020 | 7 | 6 |
| 5. | 3rd March, 2020 | 7 | 5 |

Other particulars pertaining to each Director

The table to follow provides all other particulars related to each Director. In terms of the applicable provisions of the Companies Act, 2013 and SEBI Regulations, total number of directorships consists of directorships in all public limited companies (including deemed public company), whether listed or not but do not include directorships in private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013. Further, none of the directors is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/ she is a Director. As per Regulation 26(1)(b) of SEBI Regulations for the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee are considered.

| Name of Director & their identification numbers | Board meeting attended during the year | Attendance at the last AGM | Number of other Directorships and Committee Membership / Chairmanship as on 31st March, 2020 | | | Name of other listed entity | Category of Directorship |
|--|--|----------------------------|--|----------------------|------------------------|--|---|
| | | | Other Directorship | Committee Membership | Committee Chairmanship | | |
| Mr. Arun Kumar Kothari (DIN: 00051900) | 5 | Yes | 4 | 4 | - | 1) Gillanders Arbuthnot & Company Ltd. 2) Pilani Investment and Industries Corporation Ltd. | 1) Chairman & Non-Executive Director 2) Non-Executive (Independent) Director |
| Mrs. Prabhawati Devi Kothari (DIN:00051860) | 5 | Yes | 3 | 1 | - | 1) Gillanders Arbuthnot & Company Ltd. | 1) Non-Executive Director |
| Dr. Tarminder Singh Parmar (DIN:05118311) | 5 | Yes | - | - | - | - | - |
| Mr. Rajiv Singhi (DIN:00071285) | 5 | Yes | 1 | 1 | - | 1) New India Retailing & Investment Ltd. | 1) Non-Executive (Independent) Director |
| Mr. Hemal Kampani (DIN:00057715) | 5 | Yes | 2 | 1 | - | - | - |
| Mr. Arindam Sarkar (DIN:06938957) | 3 | Yes | 1 | - | - | 1) Saregama India Ltd. | 1) Non-Executive (Independent) Director |
| Mr. Shirish Gundopant Belapure (DIN:02219458) | 3 | Yes | - | - | - | - | - |

None of the Directors on the Board hold directorship in more than Twenty Companies and in more than Ten Public Limited Companies. No Director holds directorship in more than Eight Listed Companies. None of the Independent Directors serves as Independent Director in more than Seven Listed Companies. None of the Executive Directors is acting as Independent Director in more than Three Listed Companies. Necessary disclosures in these regards have been made by the Directors.

Independent Directors

All Independent Directors on the Board are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Regulations read with Section 149(6) of the Companies Act, 2013. All the Independent Directors have confirmed that they meet the requisite criteria under Regulation 16(1)(b) of the SEBI Regulations read with Section 149(6) of the Companies Act, 2013. Further, pursuant to a notification dated 22nd October, 2019 issued by the Ministry of Corporate Affairs, all the Independent Directors have registered themselves with the Independent Directors Databank. Requisite disclosures have been received from the Directors in this regard.

The Board is of the opinion that the Independent Directors on the Board fulfill the conditions specified under the Act and the Listing Regulations, as amended, who are independent of the executive management of the Company. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website at http://albertdavidindia.com/investor/announcement/tc_independent_directors/Appointment_letter_of_Independent_Directors.pdf.

Besides, Independent Directors have been made to familiarize themselves with their roles, rights and responsibilities through programs undertaken in respective regards. Details of familiarization programs imparted to Independent Directors have been disclosed on the Company's website in adherence to Regulation 46(2)(i) of the Listing Regulations at http://albertdavidindia.com/investor/sh_information/policy/Familiarization_programme_31032020.pdf

Skills, expertise and competencies of the Board

The Board is comprised of duly qualified members having the required skills, experience, competence and expertise with proven track record who are effectively contributing to the Board and Committee proceedings. They are committed to show-casing the company as standard bearer of excellent governance in corporate world.

The individual members of Board have been identified with the key skills, expertise, competencies 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. | Director | Skills, Attributes & Competencies | | | | |
|---------|--------------------------------|---|--|--|---|---|
| | | Domain expertise in Pharmaceuticals and drugs | Sound knowledge and expertise in Financial matters | Expertise in Legal, Governance and Risk Management | Business Development, Sales and Marketing | Leadership qualities and Management expertise |
| 1. | Mr. Arun Kumar Kothari | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. | Mrs. Prabhawati Devi Kothari | ✓ | ✓ | ✓ | - | ✓ |
| 3. | Dr. Tarminder Singh Parmar | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4. | Mr. Rajiv Singhi | - | ✓ | ✓ | - | ✓ |
| 5. | Mr. Hemal Kampani | - | ✓ | ✓ | - | ✓ |
| 6. | Mr. Arindam Sarkar | - | ✓ | ✓ | - | ✓ |
| 7. | Mr. Shirish Gundopant Belapure | ✓ | - | - | ✓ | ✓ |

Meeting of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, separate meeting of Independent Directors of the Company was held on 13th February, 2020, attended by Mr. Rajiv Singhi, Mr. Hemal Kampani and Mr. S. G. Belapure to consider following agenda:

- Evaluation of the performance of the non-independent directors and the Board of Directors as a whole;
- Review of the performance of the Chairperson of the company, taking into account the views of executive and non-executive directors;
- Evaluation of 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 performance evaluation was carried out, inter-alia, in due spirit of the "Guidance Note on Board Evaluation" issued by the SEBI vide its Circular dated 5th January, 2017.

3. COMMITTEE(S) OF THE BOARD

In compliance with the requirements of the Companies Act, 2013 and the Listing Regulations, the Board has constituted various Committee(s). They are set up under the formal approval of the Board to carry out clearly defined roles including those mandated under SEBI Regulations as part of good governance practice. The minutes of the meetings of all the Committee(s) are placed before the Board for their review. The Company Secretary acts as Secretary of all the Committee(s) of the Board formed under statutory obligation or otherwise.

A) Audit Committee

Your Company has a qualified and independent Audit Committee, which acts as an interface between the statutory and internal auditors, the management and the Board. The Audit Committee is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The committee is governed by a Charter, which is in line with the Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Regulations.

Composition

As on 31st March, 2020, the Audit Committee is comprised of 4 (four) Directors as its members, all endowed with years of experience in the field of operations, finance and accounts, as under:

| Sl. No. | Name | Category | Designation |
|---------|--------------------------------|---|-------------|
| 1. | Mr. Rajiv Singhi | Non-Executive (Independent) Director | Chairman |
| 2. | Mr. Hemal Kampani | Non-Executive (Independent) Director | Member |
| 3. | Mr. Arun Kumar Kothari | Executive Director (Executive Chairman) | Member |
| 4. | Mr. Shirish Gundopant Belapure | Non-Executive (Independent) Director | Member |

The Chairman of the Audit Committee is a Non-Executive (Independent) Director.

The executives from Finance Department, Secretarial Department and Representatives of the Statutory Auditors / Internal Auditors / Cost Auditor are invited to attend the Audit Committee meetings, wherein their Reports are placed for discussion.

The Audit Committee's composition, quorum, powers, role and its terms of reference meet, inter alia, the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Audit Committee is empowered, inter alia, pursuant to its terms of reference 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. Its functions include:

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. Review of compliances under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (As amended) at least once in a year;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Number and date of Meetings held and attendance during the financial year 2019-20

During the financial year ended on 31st March, 2020, the Audit Committee met 4 (four) times, i.e. on 29th May, 2019, 9th August, 2019, 14th November, 2019 and 13th February, 2020.

The gap between any two meetings did not exceed 120 days in compliance with the SEBI Regulations.

The attendance of the Members at the above-mentioned Audit Committee meetings were as follows:

| Sl. No. | Name of the Member | No. of meetings held | No. of meetings attended |
|---------|--------------------------------|----------------------|--------------------------|
| 1. | Mr. Rajiv Singhi | 4 | 4 |
| 2. | Mr. Arun Kumar Kothari | 4 | 4 |
| 3. | Mr. Hemal Kampani | 4 | 4 |
| 4. | Mr. Shirish Gundopant Belapure | 4 | 3 |

The Chairman of the Audit Committee was present at the 80th Annual General Meeting of the Company held on 9th August, 2019.

B) Stakeholders' Relationship / Grievance Committee

The Stakeholders' Relationship / Grievance Committee of the Board of the Company is constituted in line with the provisions of Regulation 20 of the SEBI Regulations and Section 178 of the Companies Act, 2013.

Composition of the Committee

As on 31st March 2020, the Stakeholders' Relationship/Grievance Committee comprised 4 (four) Directors as its members as under:

| Sl. No. | Name | Category | Designation |
|---------|------------------------------|---|-------------|
| 1. | Mr. Hemal Kampani | Non-Executive Independent Director | Chairman |
| 2. | Mr. Arun Kumar Kothari | Executive Director (Executive Chairman) | Member |
| 3. | Dr. Tarminder Singh Parmar | Managing Director & CEO | Member |
| 4. | Mrs. Prabhawati Devi Kothari | Non-Executive Director | Member |

Terms of Reference of the Committee

The composition and the terms of reference of the Stakeholders' Relationship/Grievance Committee, inter-alia, meet the requirements of the SEBI Regulations and provisions of the Companies Act, 2013. The Committee looks into various aspects of interest of security holders of the Company including contemplation of remedial measures for redressal of Investor grievances, transfer/transmission of shares, issue of duplicate share certificates, non-receipt of Annual Reports, non-receipt of Dividends, exercise of shareholder rights and other allied issues.

Number and date of Meetings and attendance during the financial year 2019-20

During the financial year ended on 31st March, 2020, the Stakeholders' Relationship / Grievance Committee met 4 (four) times, i.e. on 29th May, 2019, 9th August, 2019, 14th November, 2019 and 13th February, 2020. The attendance of the members of the Stakeholders' Relationship / Grievance Committee was as follows:

| Sl. No. | Name of the Member | No. of meetings held | No. of meetings attended |
|---------|------------------------------|----------------------|--------------------------|
| 1. | Mr. Hemal Kampani | 4 | 4 |
| 2. | Mr. Arun Kumar Kothari | 4 | 4 |
| 3. | Dr. Tarminder Singh Parmar | 4 | 4 |
| 4. | Mrs. Prabhawati Devi Kothari | 4 | 4 |

The Chairman of the Stakeholders' Relationship / Grievance Committee was present at the 80th Annual General Meeting of the Company held on 9th August, 2019.

Status of Investor complaints for the year ended 31st March, 2020:

| Nature of complaint related to | Opening Balance | Received | Resolved | Closing Balance |
|--------------------------------|-----------------|----------|----------|-----------------|
| Annual Reports | 0 | 4 | 4 | 0 |
| Dividends | 0 | 2 | 2 | 0 |
| Share certificates | 0 | 1 | 1 | 0 |

Name, designation and address of Compliance Officer of the Company:

| | |
|-----------------------------|--|
| Name and Designation | Mr. Chirag Arvind Vora*, Company Secretary, Compliance Officer Cum Legal Manager |
| 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 | cvora@adlindia.in |

*Note: Appointment with effect from 29th June, 2020

Mr. Indrajit Dhar has resigned from the post of Company Secretary & Compliance Officer of the Company with effect from 29th June, 2020.

C) Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee as 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

Composition of the Committee

As on 31st March, 2020 the CSR Committee was comprised of 4 (four) Directors as its members as under.

| Sl. No. | Name | Category | Designation |
|---------|--------------------------------|---|-------------|
| 1. | Mr. Arun Kumar Kothari | Executive Director (Executive Chairman) | Chairman |
| 2. | Dr. Tarminder Singh Parmar | Managing Director & CEO | Member |
| 3. | Mr. Shirish Gundopant Belapure | Non-Executive (Independent) Director | Member |
| 4. | Mr. Arindam Sarkar | Non-Executive (Independent) Director | Member |

Your Company has a Corporate Social Responsibility Policy in place, duly approved by the Board on the recommendation of the CSR committee. The said policy is also available on the Company's website at http://albertdavidindia.com/investor/sh_information/policy/Corporate%20Social%20Responsibility%20Policy.pdf

The composition, scope, functions and terms of reference of the CSR Committee meet, inter-alia, the requirements of Section 135 read with Schedule VII of the of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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") indicating the activities to be undertaken by the Company within the purview of 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 of the committee 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.

Number and date of Meetings and attendance during the financial year 2019-20

During the financial year ended on 31st March, 2020, 3 (three) meetings of the Corporate Social Responsibility Committee were held, i.e. on 29th May, 2019, 14th November, 2019 and 13th February, 2020. The attendance of the members of the CSR Committee was as follows:

| Sl. No. | Name | No. of meetings held | No. of meetings attended |
|---------|--------------------------------|----------------------|--------------------------|
| 1. | Mr. Arun Kumar Kothari | 3 | 3 |
| 2. | Dr. Tarminder Singh Parmar | 3 | 3 |
| 3. | Mr. Shirish Gundopant Belapure | 3 | 2 |
| 4. | Mr. Arindam Sarkar | 3 | 2 |

The Chairman of the CSR Committee was present at the 80th Annual General Meeting of the Company held on 9th August, 2019.

D) Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board is constituted in compliance with the requirements of Regulation 19 of the Listing Regulations read with the provisions of Section 178 of the Companies Act, 2013.

Composition of the Committee

As on 31st March, 2020, the Committee comprised of 5 (five) Directors as its members as under:

| Sl. No. | Name | Category | Designation |
|---------|------------------------------|---|-------------|
| 1. | Mr. Rajiv Singhi | Non-Executive (Independent) Director | Chairman |
| 2. | Mr. Hemal Kampani | Non-Executive (Independent) Director | Member |
| 3. | Mr. Arun Kumar Kothari | Executive Director (Executive Chairman) | Member |
| 4. | Mrs. Prabhawati Devi Kothari | Non-Executive Director | Member |
| 5. | Mr. Arindam Sarkar | Non-Executive (Independent) Director | Member |

The composition and terms of reference of the Committee meet, inter-alia, the requirements of the SEBI Regulations and provisions of Section 178 of the Companies Act, 2013 and the Rules framed there under.

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. To recommend 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;

Number and date of Meetings and attendance during the financial year 2019-20

During the financial year ended on 31st March, 2020, 1 (one) meeting of the Nomination and Remuneration Committee was held, i.e. on 13th February, 2020.

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

| Sl. No. | Name | No. of meetings held | No. of meetings attended |
|---------|------------------------------|----------------------|--------------------------|
| 1. | Mr. Rajiv Singhi | 1 | 1 |
| 2. | Mr. Hemal Kampani | 1 | 1 |
| 3. | Mr. Arun Kumar Kothari | 1 | 1 |
| 4. | Mrs. Prabhawati Devi Kothari | 1 | 1 |
| 5. | Mr. Arindam Sarkar | 1 | - |

The Chairman of the Nomination and Remuneration Committee was present at the 80th Annual General Meeting of the Company held on 9th August, 2019.

Nomination and Remuneration Policy

The Company believes that the quality of its employees is the key to organizational success. The success of the organization in achieving good performance and good governance practices significantly depend on its ability to attract and retain individuals having requisite knowledge and excellence with proven track record in discharging executive obligations.

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 paid to the Directors during the financial year 2019-20:

Details of remuneration paid to the Directors of the Company within the meaning of Section 197 of Companies Act, 2013 for the financial year ended 31st March, 2020 are as under:

(Figures in Rs.)

| Name of Director | Designation | Salary | Perquisites / Other Benefits | Sitting Fee | Total |
|--------------------------------|--------------------------------------|---------------|------------------------------|-------------|---------------|
| Mr. Arun Kumar Kothari | Executive Chairman | 1,20,13,542/- | 12,16,800/- | – | 1,32,30,342/- |
| Dr. Tarminder Singh Parmar | Managing Director & CEO | 2,08,67,699/- | 12,18,802/- | – | 2,20,86,501/- |
| Mrs. Prabhawati Devi Kothari | Non-Executive Director | – | – | 225000/- | 225000/- |
| Mr. Rajiv Singhi | Non-Executive (Independent) Director | – | – | 2,65,000/- | 2,65,000/- |
| Mr. Hemal Kampani | Non-Executive (Independent) Director | – | – | 3,45,000/- | 3,45,000/- |
| Mr. Arindam Sarkar | Non-Executive (Independent) Director | – | – | 1,15,000/- | 1,15,000/- |
| Mr. Shirish Gundopant Belapure | Non-Executive (Independent) Director | – | – | 2,10,000/- | 2,10,000/- |

Perquisites include only taxable perquisites.

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

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

(Figures in Rs.)

| | | |
|--------------------------------|----------------------------------|---------------|
| (a) Mr. Arun Kumar Kothari | Salary | 1,01,40,000/- |
| | Company's Contribution to PF | 12,16,800/- |
| | House Rent Allowance | 8,11,200/- |
| | Leave Encashment | 8,45,000/- |
| | Medical reimbursement | 2,00,542/- |
| | Ex-gratia | 16,800/- |
| (b) Dr. Tarminder Singh Parmar | Salary | 94,62,000/- |
| | Company's Contribution to PF | 11,35,440/- |
| | Rent for furnished accommodation | 5,31,699/- |
| | Leave Travel Assistance | 9,46,200/- |
| | Special Allowance | 31,26,000/- |
| | Variable Incentive | 37,85,000/- |
| | Retention payout | 30,00,000/- |
| | Ex-gratia | 16,800/- |
| | Car Expenses (taxable) | 32,400/- |
| Other perquisites (misc.) | 50,962/- | |

- (c) Other Directors 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. Arun Kumar Kothari & Dr. Tarminder Singh Parmar as under:
- (iv) Period of Contract: Mr. Arun Kumar Kothari: From 1.4.2018 to 31.3.2021
Dr. Tarminder Singh Parmar: From 1.4.2018 to 31.3.2023
- (v) Notice Period: Three months' notice period for both.
- (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 provides details of shares held by the Non-Executive Directors as on 31st March 2020:

| Sl. No. | Name of the Director | Category | No. of shares held |
|---------|--------------------------------|--------------------------------------|--------------------|
| 1. | Mrs. Prabhawati Devi Kothari | Non-Executive Director | 17,527 |
| 2. | Mr. Rajiv Singhi | Non-Executive (Independent) Director | - |
| 3. | Mr. Hemal Kampani | Non-Executive (Independent) Director | - |
| 4. | Mr. Arindam Sarkar | Non-Executive (Independent) Director | - |
| 5. | Mr. Shirish Gundopant Belapure | Non-Executive (Independent) Director | - |

Mrs. Prabhawati Devi Kothari is spouse of Mr. Arun Kumar Kothari, Executive Chairman of the Company. The Non-Executive Directors are receiving sitting fees and reimbursement of expenses for attending Board and Committee meetings and dividend on the shares held by them in the Company. Other than above, there is no pecuniary relationship or transaction of Non-Executive Directors vis-à-vis the Company.

Performance Evaluation Criteria for Independent Directors

In compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the basis of the Board Evaluation Policy of the Company, 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 the following attributes:

- 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, date and time of last three Annual General Meetings (AGM):

| Financial Year | Date of AGM | Venue | Time |
|-------------------------|----------------------|--|------------|
| 2018-2019 (80th AGM) | 9th August, 2019 | Science City, Seminar Hall S-18 (A&B), J B S Haldane Avenue, Kolkata – 700046 | 04.00 P.M. |
| 2017-2018 (79th AGM) | 3rd September, 2018 | Science City, Mini Auditorium, J B S Haldane Avenue, Kolkata – 700046 | 10.30 A.M. |
| 2016-2017 (78th AGM) | 12th September, 2017 | Science City, Mini Auditorium, J B S Haldane Avenue, Kolkata – 700046 | 10.00 A.M. |

B) Particulars of Special Resolution(s) passed in the previous Three (3) AGMs:

- I) Two special resolutions were passed at the 80th Annual General Meeting held on 9th August, 2019 to:
 - i. Increase the remuneration of Mr. A. K. Kothari, Executive Chairman of the Company, for the period from 1st April, 2019 to 31st March, 2020; and
 - ii. Increase the remuneration of Dr. T. S. Parmar, Managing Director & CEO of the Company, for the period from 1st April, 2019 to 31st March, 2020;
- II) Two special resolutions were passed at the 79th Annual General Meeting held on 3rd September, 2018 to:
 - i. Reappoint Mr. A. K. Kothari as a Wholetime Director designated as Executive Chairman of the Company from 1st April, 2018 to 31st March, 2021 and fix his remuneration for the period from 1st April, 2018 to 31st March, 2019; and
 - ii. Appoint Dr. T. S. Parmar (who was then functioning as the Chief Executive Officer) as the Managing Director & CEO of the Company from 1st April, 2018 to 31st March, 2023 and fix his remuneration for the period from 1st April, 2018 to 31st March, 2019;
- III) Three special resolutions were passed at the 78th Annual General Meeting held on 12th September, 2017 to:
 - i. Reappoint Mr. A. K. Kothari as the Chairman & Managing Director of the Company from 1st April, 2017 to 31st March, 2018 and fix his remuneration for the said tenure;
 - ii. Increase the remuneration of Mr. H. P. Kabra, Executive Director of the Company for the residual term of his tenure from 1st April, 2017 to 31st March, 2018; and
 - iii. Authorize the Board of Directors to create charge on properties of the Company for obtaining financial facilities from time to time up to a limit of Rs.250 Crores as required under Section 180(1)(a) of the Companies Act, 2013.

C) Details of Extra Ordinary General Meeting of the Company:

No Extra Ordinary General Meeting was held during the year under review.

D) Details of the Special Resolutions passed through Postal Ballot during the year / Person who conducted the Postal Ballot exercise:

During the year under review, no resolution were passed through Postal Ballot.

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 there under.

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 p.m. 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 under Investor Relations, besides being communicated to the Stock Exchanges, CDSL and Registrar & Share Transfer Agent.

5. DISCLOSURES

Disclosures on materially significant related party transaction that may have 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 interests of the Company at large. All related party transactions as defined under the Companies Act, 2013 were in the ordinary course of business and at arm's length basis. Details of related party relationships and transactions are disclosed in Note No.52 to the financial statements for the year ended 31st March, 2020 forming part of the Annual Report. 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 the Listing Regulations & 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 the Listing Regulations, 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 Code 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 under the vigil mechanism / whistle blower policy during the financial year ended 31st March, 2020.

Policy for determining "Material" subsidiaries

Your Company does not have any subsidiary company; hence, the Regulation 24 of the SEBI Regulation is not applicable to the Company.

Policy on materiality and dealing with related party transactions

The Company has adopted a Policy for Determining Materiality of Events / Information in line with the requirements of Section 177 (4) (iv) and 188 of the Act, read with Rules framed thereunder and as defined under Regulation 30 of the SEBI Regulations. This Policy has been posted on the website of the Company at <http://albertdavidindia.com/events.php>

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

The Company has complied with the mandatory requirements stipulated under Regulations 17 to 27 and Regulations 46 of the SEBI Regulations. In addition to the same, your Company also strives to adhere and comply with the following discretionary requirements as specified under SEBI Regulations, to the extent applicable:

- 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 Practicing Company Secretary

In terms of the Listing Regulations, as amended, the Company has obtained a certificate from Mr. Manoj Kumar Banthia, Practicing Company Secretary, Kolkata, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director, by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such Statutory Authority. The certificate forms part of this Report.

Commodity price risk, foreign exchange risk and hedging activities

The Company is not indulging in commodity risks and hence no question arises of disclosure relating to such risks and hedging thereof. During the year under review, the Company has managed foreign exchange risks against MTM forward contract of the nature of derivative contract and hedged to the extent considered necessary. Further, 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 15th 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 31st March, 2020, the Company has availed the services of the Statutory Auditors and made the following payments:

| Services availed | Payment (Rs.) |
|------------------------------------|---------------|
| Statutory Audit for the FY 2019-20 | 5,00,000/- |
| Tax Audit for the FY 2019-20 | 37,000/- |
| Certifications and other fees | 2,40,000/- |

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 financial year ended on 31st March, 2020

The details of complaints related to sexual harassment are provided below: -

| | |
|---|-----|
| 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 |

Disclosure on proceeds from public issues, right issues, preferential Issues, etc.

During the year, your Company has not raised any proceeds from public issue, rights issue, preferential issues, etc. and hence, there are no unutilised issue proceeds during the year under review.

Details of recommendation of any committee of the Board not accepted by the Board and reasons thereof:

During the year under review, the Board of your Company has accepted all the recommendations made by its committee(s), from time to time.

Conflict of Interest

On an annual basis, each Director informs the Company about the Board and the Committee positions he occupies in other Companies including Chairmanships and notifies changes during the year. Members of the Board while discharging their duties avoid conflict of interest in the decision-making process. The members of the Board restrict themselves from any decision and voting in transaction that they have concern or interest.

6. PARTICULARS OF APPOINTMENT / REAPPOINTMENT OF DIRECTORS FORM PART OF THE NOTICE CONVENING THE 81ST 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 usually published in "Business Standard" (English) and "Aajkaal" (Bengali) newspapers and are also hosted on the website of the Company, i.e. www.albertdavidindia.com. During the year under review, the company has not made any presentation 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 1st April, 2019:

- Code of Conduct to Regulate, Monitor and Report Trading by Insiders ("the Code")
- 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 to Regulate, Monitor and Report Trading by Insiders, besides other relevant matters, prohibits an insider from dealing in the shares of the Company while in possession of unpublished price sensitive information (UPSI) 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. The above Codes/Policy are available on the Company's website at <http://albertdavidindia.com/codes.php>.

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

9. GENERAL SHARE HOLDER INFORMATION

| | |
|---|--|
| Date, time and venue of the Annual General Meeting | The 81st Annual General Meeting of the Company will be held through Video Conferencing / Other Audio-Visual Means on Friday, 25th September, 2020 at 11.00 a.m. (IST) |
| Financial Calendar 2020 – 2021 (tentative and subject to change) | Financial Year: April to March <ul style="list-style-type: none"> • Results for the quarter ending June 30, 2020:- July/ August, 2020. • Results for the quarter and six months ending September 30, 2020:- October/ November, 2020. • Results for the quarter and nine months ending December 31, 2020:- January/ February, 2021. • Results for the quarter and year ending March 31, 2021:- April/ May, 2021 |
| Date of Book Closure | 18th September, 2020 to 25th September, 2020 (both days inclusive). |
| Dividend payment date | The Company has paid Interim dividend at Rs.7/- per equity share of Rs.10/- each for the FY 2019-2020, which is to be construed as final dividend for the year. |
| Listing on Stock Exchanges | BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001. National Stock Exchange of India Ltd (NSE) Bandra Kurla Complex, Bandra (East), Mumbai-400051. The Company has paid the Annual Listing fees for the FY 2020-21 to BSE and NSE. |
| 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, 2019 | 429.25 | 383.30 | 39487.45 | 38460.25 | 429.95 | 382.90 | 11856.15 | 11549.10 |
| May, 2019 | 508.95 | 370.00 | 40124.96 | 36956.10 | 509.00 | 371.10 | 12041.15 | 11108.30 |
| June, 2019 | 446.90 | 392.00 | 40312.07 | 38870.96 | 445.00 | 388.05 | 12103.05 | 11625.10 |
| July, 2019 | 401.85 | 351.00 | 40032.41 | 37128.26 | 402.00 | 351.15 | 11981.75 | 10999.40 |
| August, 2019 | 405.60 | 318.00 | 37807.55 | 36102.35 | 414.70 | 315.00 | 11181.45 | 10637.15 |
| September, 2019 | 393.00 | 327.00 | 39441.12 | 35987.80 | 394.00 | 326.80 | 11694.85 | 10670.25 |
| October, 2019 | 409.50 | 331.00 | 40392.22 | 37415.83 | 409.40 | 330.00 | 11945.00 | 11090.15 |
| November, 2019 | 475.00 | 395.00 | 41163.79 | 40014.23 | 479.00 | 392.10 | 12158.80 | 11802.65 |
| December, 2019 | 420.00 | 377.00 | 41809.96 | 40135.37 | 416.00 | 384.05 | 12293.90 | 11832.30 |
| January, 2020 | 549.00 | 406.65 | 42273.87 | 40476.55 | 549.00 | 403.00 | 12430.50 | 11929.60 |
| February, 2020 | 568.35 | 390.75 | 41709.30 | 38219.97 | 567.70 | 394.10 | 12246.70 | 11175.05 |
| March, 2020 | 438.90 | 255.00 | 39083.17 | 25638.90 | 440.00 | 263.00 | 11433.00 | 7511.10 |

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
Email: mdpldc@yahoo.com

12. SHARE TRANSFER SYSTEM

In terms of the Listing Regulations, effective from 1st April, 2019, securities of listed companies can only be transferred in dematerialized form, except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was lodged prior to 1st April, 2019 and returned due to deficiency in documentation. Shareholders are therefore, advised to dematerialize the shares held by them in physical form, if any. Requests for dematerialisation of shares are processed and confirmation thereof is given by the RTA to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within the statutory time limit from the date of receipt of share certificates, provided the documents are complete in all respects.

13. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2020

Category-wise shareholding pattern of the Company as on 31st March, 2020:

| Sl. No. | Category of Shareholder | No. of shares held | Percentage of shareholding |
|----------|---|--------------------|----------------------------|
| A | Indian Promoters / Directors | 3490041 | 61.15% |
| B | Public Shareholding | 2217121 | 38.85% |
| | 1. Mutual Funds / UTI | 900 | 0.02% |
| | 2. Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions / Non-Government Institutions) | 222306 | 3.90% |
| | 3. Foreign Portfolio Investors | - | - |
| | 4. Indian Bodies Corporate | 171756 | 3.00% |
| | 5. Indian Public | 1697764 | 29.75% |
| | 6. NRI | 89490 | 1.57% |
| | 7. Clearing Members | 7362 | 0.13% |
| | 8. IEPF Account | 27543 | 0.48% |
| | 9. NBFC registered with RBI | - | - |
| | TOTAL (A+B) | 5707162 | 100.00% |

Distribution of shareholding as on 31st March, 2020:

| Equity shares held | No. of Shareholders | % of Shareholders | Number of Shares held | % of Shares held |
|--------------------|---------------------|-------------------|-----------------------|------------------|
| Up to 500 | 7913 | 92.07% | 735019 | 12.88% |
| 501 to 1000 | 369 | 4.29% | 288922 | 5.06% |
| 1001 to 2000 | 187 | 2.18% | 272811 | 4.78% |
| 2001 to 3000 | 43 | 0.50% | 108786 | 1.91% |
| 3001 to 4000 | 23 | 0.27% | 80736 | 1.41% |
| 4001 to 5000 | 11 | 0.13% | 50398 | 0.88% |
| 5001 to 10000 | 28 | 0.33% | 203006 | 3.56% |
| Above 10000 | 20 | 0.23% | 3967484 | 69.52% |
| TOTAL | 8594 | 100% | 5707162 | 100% |

Details of top 10 (ten) equity shareholders of the Company (other than promoters) as on 31st March, 2020 is provided in extract of Annual Return (Form no - MGT-9) forming part of Director's Report.

14. DEMATERIALISATION OF SHARES AND LIQUIDITY

The International Securities Identification Number (ISIN) of the equity shares of the Company is INE155C01010. The Company has agreement with both the Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) to facilitate holding and trading in the 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 1st October, 2000. As on 31st

March, 2020, 56,26,821 equity shares representing 98.59% of the total equity share capital of the Company were held in dematerialized form.

Pursuant to SEBI Notification dated 20th April, 2018, the Company has issued individual notices dated 14th July, 2018, 14th August, 2018 and 10th 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

Not applicable.

16. PLANT LOCATIONS

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

17. ADDRESS FOR INVESTOR CORRESPONDENCE

Albert David Limited, Share Department

‘D’ Block, 3rd Floor, Gillander House, Netaji Subhas Road, Kolkata - 700001.

Phones: 033-2262-8436/8456/3492, 2230-2330; 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 Regulations, the Board of Directors has a Code of Conduct for all its Board Members, Key Managerial Personnel and Senior Management Personnel of the Company. The Code is available on Company’s website at <http://albertdavidindia.com/codes.php> in confirmation of compliance with the Code of Conduct by the Board Members, Key Managerial Personnel and Senior Management Personnel of the Company, duly signed by the Managing Director & CEO of the Company forms part of this Corporate Governance Report.

19. CREDIT RATING

The Company has been awarded CRISIL A-/Positive credit rating for its long-term bank credit facilities & CRISIL A1 credit rating for its short-term bank credit facilities by CRISIL. The details of the Credit Rating are available on the Company’s website at http://albertdavidindia.com/investor/announcement/events/credit_rating-27feb20.pdf.

20. CEO & CFO CERTIFICATION

Pursuant to Regulation 17(8) of SEBI (Listing Obligations and 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 31st March, 2020 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 violate 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

A. K. Kothari
Executive Chairman
(DIN : 00051900)

Place : Kolkata
Date : 24th August, 2020

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, Whole-time Directors, Non-Executive Director(s) and Independent Directors. The Code is available on the Company's website.

I confirm that the Company has in respect of the year ended on 31st March, 2020, received from the Senior Management team of the Company and members of the Board, annual declaration/affirmation of compliance with the Code of Conduct as are applicable to them.

For **Albert David Limited**

T. S. Parmar
Managing Director & CEO
(DIN:05118311)

Place: Mumbai
Date: 24th August, 2020

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 31st March 2020, 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 31st March, 2020 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
Firm Registration No. 304049E

Biswanath Chattopadhyay
Partner
Membership No.051800

Place: Kolkata
Date : 24th August, 2020
UDIN:20051800AAAAAP2908

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, 3rd 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 March 31, 2020, in our opinion, none of the directors 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: 29th June, 2020
Place: Kolkata
UDIN: A011470B000395739

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 31st March 2020, 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, 2020, 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>A. Revenue Recognition</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 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>Our key procedures included the following:</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 and rebates to supporting documentation and approvals; and</p> |

INDEPENDENT AUDITORS REPORT (Contd.)

| Key audit matter | How our audit addressed the key audit matters |
|---|--|
| <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> | <ul style="list-style-type: none"> 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. d) Performed focused analytical procedures: <ul style="list-style-type: none"> 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 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 e) Considered the appropriateness of the company’s description of the accounting policy, disclosures related to revenue, discounts, incentive and rebates and whether these are adequately presented in the financial statement. |
| <p>B. Litigations and claims – provisions and contingent liabilities</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>Our key procedures included the following:</p> <ul style="list-style-type: none"> • Assessed the appropriates of the company’s accounting policies, including those relating to provision and contingent liability by comparing with the applicable accounting standards; • Assessed the company 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; • 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; • Assessed the company’s assumptions and 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; |

INDEPENDENT AUDITORS REPORT (Contd.)

| Key audit matter | How our audit addressed the key audit matters |
|--|---|
| | <ul style="list-style-type: none"> Performed substantive procedures on the underlying calculations supporting the provisions recorded; Assessed the management's conclusions through understanding precedents set in similar cases; and Considering the appropriateness of the company's description of the disclosures related to litigations and whether these adequately presented in the financial statements. |
| <p>C. Valuation of investments and impairment thereof</p> <p>I. Non-Current Investments in Unquoted equity instruments.</p> <p>II. Current Investments in unquoted mutual funds.</p> <p>III. Fixed Deposit with Bank.</p> | <p>Our key procedures included the following:</p> <p>Verified with reference to latest registered valuers report; 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>D. Evaluation of uncertain tax provisions</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>Principal Audit procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 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, 2019 to evaluate whether any change was required to management's position on these uncertainties.</p> |
| <p>E. Recoverability of Indirect tax receivables</p> <p>As at March 31, 2020, non-current assets in respect of withholding tax and others include Customs/Excise Duty/Cenvat recoverable amounting to Rs. 231.39 lakhs which are pending adjudication.</p> <p>Refer Note 19 to the Financial Statements</p> | <p>Principal Audit procedures</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.

INDEPENDENT AUDITORS REPORT (Contd.)

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 which has companies incorporated in India, 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

INDEPENDENT AUDITORS REPORT (Contd.)

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

INDEPENDENT AUDITORS REPORT (Contd.)

- 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.

- 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 impact of pending litigations on the financial position of the company in note no 44.1 of financial statement.
 - 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.

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

Biswanath Chattapadhyay
Partner
Membership No: 051800

Place : Kolkata
Date : June 29, 2020
UDIN: 20051800AAAAAJ3701

INDEPENDENT AUDITORS REPORT (Contd.)

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 31st March 2020 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;

INDEPENDENT AUDITORS REPORT (Contd.)

- (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 **31st March 2020**, 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 Chattapadhyay
Partner
Membership No: 051800

Place : Kolkata
Date : June 29, 2020
UDIN: 20051800AAAAAJ3701

INDEPENDENT AUDITORS REPORT (Contd.)**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 31st March, 2020 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 |
|--|-----------------------|-------------------------------|---|--|
| Sales Tax : Central Sales Tax Act, 1956 | Tax on Lease Rental | 5.74 | 2002-2003 | Calcutta High Court |
| Jharkhand VAT Act,2005 | Dispute of sale | 0.81 | 2011-2012 | Dy. Commissioner, Commercial Tax, Jharkhand |

INDEPENDENT AUDITORS REPORT (Contd.)

| Name of the Statute | Nature of dues | Amount Rs. in lacs | Period to which the amount relates | Forum where dispute is pending |
|--|--|-----------------------|---------------------------------------|--|
| Income Tax : | | | | |
| Income Tax Act, 1961 | Tax on disallowance of depreciation. | 20.41 | 2013-2014 | Commissioner 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 - |
| - Do - | Tax on disallowance of depreciation | 17.75 | 2016-2017 | - Do - |
| Excise Duty : | | | | |
| Central Excise Act, 1994 | Classification of Products | 227.57 | 01.06.2003 to 28.02.2008 | Commissioner (Appeal), Central Excise |
| - Do - | Valuation of Exports | 2.84 | 08.01.2005 to 31.08.2007 | CESTAT |
| Cess : | | | | |
| Water (Prevention & Control of Pollution) Cess Act, 1977 | Additional levy of Water Cess | 40.46 | 05.01.1994 to 31.03.2020 | Lucknow 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 party 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 Chattapadhyay
Partner
Membership No: 051800

Place : Kolkata
Date : June 29, 2020
UDIN: 20051800AAAAAJ3701

ACCOUNTS STATEMENT

BALANCE SHEET as at 31st March, 2020
(Rs. in Lakhs)

| Particulars | Note No. | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|----------|------------------------|------------------|------------------------|------------------|
| ASSETS | | | | | |
| 1 NON-CURRENT ASSETS | | | | | |
| a Property, Plant and Equipment | 5 | 8,877.11 | | 7,707.13 | |
| b Capital Work-In-Progress | | 151.86 | | 259.61 | |
| c Intangible Assets | 6 | 222.79 | | 1.57 | |
| d Intangible Assets under development | | - | 9,251.76 | 246.07 | 8,214.38 |
| e Financial Assets | | | | | |
| i Investments | 7 | 2,416.90 | | 2,142.95 | |
| ii Loans | 8 | 196.03 | | 245.02 | |
| f Non-Current Tax Assets | 9 | 57.09 | | 245.82 | |
| g Other Non-Current Assets | 10 | 10.00 | 2,680.02 | 57.33 | 2,691.12 |
| 2 CURRENT ASSETS | | | | | |
| a Inventories | 11 | 4,272.29 | | 4,405.78 | |
| b Financial Assets | | | | | |
| i Investments | 12 | 9,760.78 | | 9,155.02 | |
| ii Trade Receivables | 13 | 3,012.96 | | 2,176.87 | |
| iii Cash and Cash Equivalents | 14 | 641.69 | | 685.45 | |
| iv Bank balances (other than 2.b iii) | 15 | 33.23 | | 27.13 | |
| v Loans | 16 | 1,352.26 | | 1,450.23 | |
| vi Other Financial Assets | 17 | 158.83 | | 5.99 | |
| c Current Tax Assets (Net) | 18 | 342.35 | | 133.23 | |
| d Other Current Assets | 19 | 515.51 | 20,089.90 | 516.09 | 18,555.79 |
| Total Assets | | | 32,021.68 | 516.09 | 29,461.29 |
| EQUITY AND LIABILITIES | | | | | |
| 1 EQUITY | | | | | |
| a Equity Share Capital | 20 | 570.72 | | 570.72 | |
| b Other Equity | 21 | 21,709.07 | 22,279.79 | 20,473.85 | 21,044.57 |
| LIABILITIES | | | | | |
| 2 NON-CURRENT LIABILITIES | | | | | |
| a Financial Liabilities | | | | | |
| i Borrowings | 22 | 144.42 | | - | |
| ii Other Financial Liabilities | 23 | 449.92 | | 472.53 | |
| b Provisions | 24 | 1,045.20 | | 1,006.33 | |
| c Deferred Tax Liabilities (Net) | 25 | 4.47 | 1,644.01 | 98.93 | 1,577.79 |
| 3 CURRENT LIABILITIES | | | | | |
| a Financial Liabilities | | | | | |
| i Borrowings | 26 | - | | 44.24 | |
| ii Trade Payables | 27 | | | | |
| Total outstanding dues of micro enterprises and small enterprises | | 10.03 | | 14.08 | |
| Total outstanding dues of creditor other than micro enterprises and small enterprises | | 3,967.90 | | 2,955.21 | |
| iii Other Financial Liabilities | 28 | 2,274.16 | | 1,578.90 | |
| b Other Current Liabilities | 29 | 228.71 | | 330.91 | |
| c Provisions | 30 | 1,509.09 | | 1,338.73 | |
| d Current Tax Liabilities (Net) | 31 | 107.99 | 8,097.88 | 576.86 | 6,838.93 |
| Total Equity and Liabilities | | | 32,021.68 | 576.86 | 29,461.29 |
| 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 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
Biswanath Chattapadhyay

Partner
Membership No: 051800

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: 29th June, 2020

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2020
(Rs. in Lakhs)

| Particulars | Note No. | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|--|----------|-------------------------------------|-------------------------------------|
| CONTINUING OPERATIONS | | | |
| 1. INCOME | | | |
| a. Revenue from Operations | 32 | 32,079.50 | 31,689.10 |
| b. Other Income | 33 | 711.09 | 678.54 |
| Total Income from Continuing Operations | | 32,790.59 | 32,367.64 |
| 2. EXPENSES | | | |
| a. Cost of Materials Consumed | 34 | 5,610.31 | 5,897.11 |
| b. Purchases of Stock-in-Trade | 35 | 5,232.14 | 4,646.24 |
| c. Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress | 36 | (302.82) | 125.48 |
| d. Employee Benefits Expense | 37 | 9,033.97 | 8,948.74 |
| e. Finance Costs | 38 | 79.60 | 61.74 |
| f. Depreciation and Amortisation Expense | 39 | 767.47 | 697.80 |
| g. Other Expenses | 40 | 9,474.48 | 9,105.41 |
| Total Expenses from Continuing Operations | | 29,895.15 | 29,482.52 |
| 3. Profit before Tax from Continuing Operations | | 2,895.44 | 2,885.12 |
| 4. Tax Expense | | | |
| a. Current Tax | | 1,059.52 | 1,132.69 |
| b. Deferred Tax | | (80.94) | (20.00) |
| 5. Profit for the year from Continuing Operations (3) - (4) | | 1,916.86 | 1,772.43 |
| 6. DISCONTINUED OPERATIONS | | | |
| a. Profit/(Loss) before tax from Discontinued Operations | 42 | - | 1,400.85 |
| b. Tax Expense | | | |
| I. Current Tax | | - | (17.31) |
| II. Deferred Tax | | - | (491.98) |
| Profit/(Loss) for the year from Discontinued Operations (a) + (b) | | - | 891.56 |
| 7. Profit for the Year (5) + (6) | | 1,916.86 | 2,663.99 |
| 8. Other Comprehensive Income for Continuing Operations | | | |
| a. Items that will not be reclassified to profit or loss : | | | |
| i) Remeasurement of defined benefit plan | | (99.92) | (114.77) |
| ii) Equity instrument through Other Comprehensive Income | | 270.11 | 252.54 |
| b. Income tax relating to these items | | 42.61 | 26.59 |
| Other Comprehensive Income for the Year (Net of Tax) from Continuing Operations (a) + (b) | | 212.80 | 164.36 |
| 9. Total Comprehensive Income for the period (7) + (8) | | 2,129.66 | 2,828.35 |
| 10. Earnings Per Share | | | |
| Earning per Equity Share from Continuing & Discontinued Operations | 43 | | |
| Basic & Diluted | | 33.59 | 46.68 |
| Earning per Equity Share from Continuing Operations | | | |
| Basic & Diluted | | 33.59 | 31.06 |
| Earning per Equity Share from Discontinued Operations | | | |
| Basic & Diluted | | - | 15.62 |
| 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 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
Biswanath Chattapadhyay

Partner
Membership No: 051800

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: 29th June, 2020

CASH FLOW STATEMENT for the year ended 31st March, 2020
(Rs. in Lakhs)

| | Year ended 31.03.2020 | Year ended 31.03.2019 |
|---|--------------------------|--------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Profit Before Tax from: | | |
| Continuing operations | 2,895.44 | 2,885.12 |
| Discontinued operations | - | 1,400.85 |
| Adjustment for : | | |
| Depreciation and amortisation expense | 767.47 | 701.82 |
| Interest Charged | 63.70 | 39.09 |
| Interest Income | (155.60) | (186.13) |
| (Gain)/loss on Disposal of Property, Plant & Equipment(Net) | (13.21) | (1,460.89) |
| Loss/(gain) on sale of current investments classified at FVTPL | (20.87) | (10.25) |
| Net fair value (gain)/loss on investments measured at FVTPL | 350.63 | (200.33) |
| Dividend Income | (264.37) | (168.13) |
| Effect of Exchange Rate Change(Net) | (20.90) | (2.96) |
| Operating Profit before Working Capital changes | 3,602.29 | 2,998.19 |
| Adjustment for changes in working capital: | | |
| (Increase)/Decrease in Trade Receivables | (831.07) | 553.69 |
| (Increase)/Decrease in Current and non-current financial assets | (33.38) | 91.93 |
| (Increase)/Decrease in Inventories | 133.48 | (85.13) |
| (Increase)/Decrease in Other Current and non-current assets | 6.30 | 196.89 |
| Increase/(Decrease) in Trade Payables | 1,017.33 | (202.04) |
| Increase/(Decrease) in Current and non-current financial liabilities | 628.20 | 458.08 |
| (Increase)/Decrease in Other Current liabilities and provisions | 5.88 | (191.09) |
| Cash Generated from Operations | 4,529.03 | 3,820.52 |
| Direct Taxes Paid (net of refund) | (1,519.69) | (633.79) |
| Net Cash from Operating Activities (A) | 3,009.34 | 3,186.73 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Acquisition of Property, Plant & Equipment and Intangible Assets including Capital Work-in-Progress/Capital Advance | (1,542.29) | (196.00) |
| Proceeds from Sale of Property & Equipment | 36.55 | 1,548.02 |
| Interest Received | 92.00 | 206.58 |
| Proceeds against acquisition of Current Investments | (15,155.96) | (15,494.11) |
| Proceeds of realisation of Current Investments | 14,220.44 | 11,447.54 |
| Disbursement of Inter corporate Loan | - | (1,600.00) |
| Realisation of Inter corporate loan given | 85.00 | 1,880.00 |
| Fixed Deposit in Escrow Account | - | 133.32 |
| Dividend Received on Investments | 264.37 | 168.13 |
| Net Cash used in Investing Activities (B) | (1,999.89) | (1,906.52) |

CASH FLOW STATEMENT for the year ended 31st March, 2020 (Contd.)

(Rs. in Lakhs)

| | Year ended 31.03.2020 | Year ended 31.03.2019 |
|---|-----------------------------|-----------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Repayment of non-current borrowings | (64.95) | – |
| Repayment of current borrowings | – | (1,291.70) |
| Interest Paid | (63.70) | (42.03) |
| Dividend Paid (including Tax on dividend) | (888.34) | (375.06) |
| Net Cash used in Financing Activities (C) | (1,016.99) | (1,708.79) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | (7.54) | (428.58) |
| Opening Cash and Cash Equivalents | 641.21 | 1,070.73 |
| Unrealised Gain/(Loss) in Foreign Currency | 8.02 | (0.94) |
| Closing Cash and Cash Equivalents | 641.69 | 641.21 |
| Closing Cash and Cash Equivalents consists of the following: | | |
| | As at 31.03.2020 | As at 31.03.2019 |
| Cash in Hand | 5.30 | 5.22 |
| Remittance in transit | 0.55 | 5.70 |
| Bank Balance with Schedule Banks: | | |
| On Current Account(including unrealised Foreign currency gain Rs. 8.02,Previous year Rs. 0.94) | 635.84 | 674.53 |
| Balances with Bank in Cash credit account | – | (44.24) |
| Cash and Cash Equivalents as per Cash Flow Statement | 641.69 | 641.21 |

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.

As per our report of even date attached

For and on behalf of the Board of Directors of **Albert David Limited**
CIN No. L51109WB1938PLC009490For **Basu Chanchani & Deb**
Chartered Accountants
Firm Registration No. 304049E
Biswanath Chattapadhyay
Partner
Membership No: 051800**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 : 05118311Place: Kolkata
Date: 29th June, 2020

STATEMENT OF CHANGE IN EQUITY for the year ended 31st March, 2020

(Rs. in Lakhs)

a) Equity Share Capital

| | |
|---|----------------------|
| Balance as at 1st April, 2018 | 570.72 |
| Add/(Less): Changes in Equity Share Capital during the year | - |
| Balance as at 31st March, 2019 | <u>570.72</u> |
| Add/(Less): Changes in Equity Share Capital during the year | - |
| Balance as at 31st March, 2020 | <u>570.72</u> |

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 | |
| Balance as at 1st April, 2018 | 13.88 | 8.45 | 314.72 | 12,881.84 | 4,780.58 | - | 24.47 | 18,023.94 |
| Profit for the year | - | - | - | - | 2,663.99 | - | - | 2,663.99 |
| Other Comprehensive Income | - | - | - | - | - | (74.66) | 239.02 | 164.36 |
| Total Comprehensive Income for the year | - | - | - | - | 2,663.99 | (74.66) | 239.02 | 2,828.35 |
| Remeasurement of Defined Benefit Obligation transferred to Retained Earning | - | - | - | - | (74.66) | 74.66 | - | - |
| Dividend & Dividend distribution tax | - | - | - | - | (378.44) | - | - | (378.44) |
| Balance as at 31st March, 2019 | 13.88 | 8.45 | 314.72 | 12,881.84 | 6,991.47 | - | 263.49 | 20,473.85 |
| Profit for the year | - | - | - | - | 1,916.86 | - | - | 1,916.86 |
| Other Comprehensive Income | - | - | - | - | - | (57.31) | 270.11 | 212.80 |
| Total Comprehensive Income for the year | - | - | - | - | 1,916.86 | (57.31) | 270.11 | 2,129.66 |
| Remeasurement of Defined Benefit Obligation transferred to Retained Earning | - | - | - | - | (57.31) | 57.31 | - | - |
| Dividend & Dividend distribution tax (Interim) | - | - | - | - | (481.62) | - | - | (481.62) |
| Dividend & Dividend distribution tax (Final) | - | - | - | - | (412.82) | - | - | (412.82) |
| Balance as at 31st March, 2020 | 13.88 | 8.45 | 314.72 | 12,881.84 | 7,956.58 | - | 533.60 | 21,709.07 |

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

A K KOTHARI
 Executive Chairman
 DIN : 00051900

 Place: Kolkata
 Date: 29th June, 2020

 Partner
 Membership No: 051800

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

T S PARMAR
 Managing Director & CEO
 DIN : 05118311

NOTES TO THE FINANCIAL STATEMENTS

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 31st March 2020 has been approved by the Board of Directors in their meeting held on 29th June 2020.

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.

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 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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

- 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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 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

- The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
 - (i) the contract involves the use of an identified asset;

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and;
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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 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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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:

- o Measured at Amortized Cost;
- o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- o Measured at Fair Value Through Profit or Loss (FVTPL); and
- o 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.

- o 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.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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.

- o 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.

- o 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.
- o 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

➤ 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. During the year, no new standard or modifications in existing standards has been notified which will be applicable from April 1, 2020 or thereafter.

New Standards / Amendments applied during the year in respect of Company's Financial Statements:

On 30th March, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 - Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1st April 2019.

- a) Ind AS 116, Leases- The Company has adopted this Ind AS w.e.f April 1, 2019. The effect of this standard along with relevant disclosures are provided in Note-49.
- b) Amendments to Ind AS 12, Income taxes Appendix C - Uncertainty over Income Tax Treatment The Company has adopted the amendments w.e.f April 1, 2019. The impact of this amendment is not material.
- c) Amendment to Ind AS 19 –Employee Benefits relating to Plan amendment, curtailment or settlement The Company has adopted the amendments w.e.f April 1, 2019. As there is no major change in employee benefit plans , the effect of this amendment is not material.
- d) Amendment to Ind AS 23, Borrowing Costs- The Company has adopted the amendments w.e.f April 1, 2019. The effect of this amendment is not material.

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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.

- **Right-of-use assets and lease liability:** The Company has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.
- **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.)
(Rs. in Lakhs)
5. PROPERTY, PLANT AND EQUIPMENT

| Particulars | Year Ended 31st March, 2020 | | | | | | | | | | |
|---------------------------------|-----------------------------|-----------------|---------------|--------------------------------|-----------------------|--------------------------|--------------------------------------|--------------------------------|---------------|-----------------------|---------------------|
| | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | | Net Carrying Amount |
| | As at 1st April 2019 | Additions | Disposals | Adjustment / Re-classification | As at 31st March 2020 | As at 1st April 2019 | Depreciation charged during the Year | Adjustment / Re-classification | Deductions | As at 31st March 2020 | |
| Leasehold Land | 9.13 | - | - | (9.13) | - | 3.52 | - | 3.52 | - | - | - |
| Freehold Land | 3,396.00 | - | - | - | 3,396.00 | - | - | - | - | - | 3,396.00 |
| Right of Use (ROU) Asset | - | 257.46 | - | 5.61 | 263.07 | - | 74.03 | - | - | 74.03 | 189.04 |
| Buildings | 2,513.60 | 1,362.81 | - | - | 3,876.41 | 1,180.00 | 96.25 | - | - | 1,276.25 | 2,600.16 |
| R & D - Buildings | 96.63 | - | - | - | 96.63 | 36.86 | 6.20 | - | - | 43.06 | 53.57 |
| Plant and Equipment | 11,008.39 | 22.53 | 45.71 | - | 10,985.21 | 8,595.97 | 446.96 | - | 44.81 | 8,998.12 | 1,987.09 |
| R & D - Plant and Equipment | 106.51 | - | - | - | 106.51 | 64.49 | 8.35 | - | - | 72.84 | 33.67 |
| Tubewell | 30.34 | - | - | - | 30.34 | 26.38 | 1.27 | - | - | 27.65 | 2.69 |
| Lab. Equipments & Fittings | 671.12 | 19.11 | - | - | 690.23 | 568.83 | 31.73 | - | - | 600.56 | 89.67 |
| R & D Lab.Equipments & Fittings | 89.60 | - | - | - | 89.60 | 41.24 | 10.43 | - | - | 51.67 | 37.93 |
| Furniture & Fixtures | 549.63 | 75.98 | 10.42 | - | 615.19 | 433.88 | 30.87 | - | 10.21 | 454.54 | 160.65 |
| R & D - Furniture & Fixtures | 62.51 | - | - | - | 62.51 | 41.41 | 7.04 | - | - | 48.45 | 14.06 |
| Office Equipments | 78.02 | 6.50 | 3.21 | - | 81.31 | 66.53 | 5.79 | - | 3.00 | 69.32 | 11.99 |
| R & D - Office Equipments | 1.02 | - | - | - | 1.02 | 1.02 | - | - | - | 1.02 | - |
| Typewriter & Duplicator | 1.64 | - | 0.12 | - | 1.52 | 1.63 | - | - | 0.12 | 1.51 | 0.01 |
| Refrigerator /Air Conditioners | 76.95 | 34.02 | 1.58 | - | 109.39 | 58.09 | 5.27 | - | 1.56 | 61.80 | 47.59 |
| Vehicles | 265.33 | - | 59.53 | - | 205.80 | 137.85 | 25.62 | - | 37.53 | 125.94 | 79.86 |
| Computer | 216.93 | 176.59 | 8.48 | - | 385.04 | 208.64 | 11.75 | - | 8.48 | 211.91 | 173.13 |
| R & D - Computer | 2.49 | - | - | - | 2.49 | 2.37 | 0.12 | - | - | 2.49 | - |
| Total | 19,175.84 | 1,955.00 | 129.05 | (3.52) | 20,998.27 | 11,468.71 | 761.68 | 3.52 | 105.71 | 12,121.16 | 8,877.11 |

| Particulars | Year Ended 31st March, 2019 | | | | | | | | | | |
|---------------------------------|-----------------------------|---------------|---------------|--------------------------------|-----------------------|--------------------------|--------------------------------------|--------------------------------|---------------|-----------------------|---------------------|
| | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | | Net Carrying Amount |
| | As at 1st April 2018 | Additions | Disposals | Adjustment / Re-classification | As at 31st March 2019 | As at 1st April 2018 | Depreciation charged during the Year | Adjustment / Re-classification | Deductions | As at 31st 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 |

Notes:

- 5.1 Refer Note no. 47 for information on property, plant and equipment pledged as securities by the Company.
- 5.2 ROU Assets consists of various and Leasehold building and Leasehold Buildings (Office and Godown) (Refer Note no. 49).
- 5.3 The amount of contractual commitment for acquisition of property, plant and equipment is disclosed in Note no 44.2.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

6. INTANGIBLE ASSETS

| Particulars | Year Ended 31st March, 2020 | | | | | | | | | | |
|-------------------|-----------------------------|---------------|-----------|--------------------------------|-----------------------|--------------------------|--------------------------------------|--------------------------------|------------|-----------------------|---------------------|
| | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | | Net Carrying Amount |
| | As at 1st April 2019 | Additions | Disposals | Adjustment / Re-classification | As at 31st March 2020 | As at 1st April 2019 | Depreciation charged during the Year | Adjustment / Re-classification | Deductions | As at 31st March 2020 | |
| Computer Software | 7.29 | 227.00 | - | - | 234.29 | 5.72 | 5.78 | - | - | 11.50 | 222.79 |
| Total | 7.29 | 227.00 | - | - | 234.29 | 5.72 | 5.78 | - | - | 11.50 | 222.79 |

| Particulars | Year Ended 31st March, 2019 | | | | | | | | | | |
|-------------------|-----------------------------|-------------|-----------|--------------------------------|-----------------------|--------------------------|--------------------------------------|--------------------------------|------------|-----------------------|---------------------|
| | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | | Net Carrying Amount |
| | As at 1st April 2018 | Additions | Disposals | Adjustment / Re-classification | As at 31st March 2019 | As at 1st April 2018 | Depreciation charged during the Year | Adjustment / Re-classification | Deductions | As at 31st March 2019 | |
| Computer Software | 6.06 | 1.23 | - | - | 7.29 | 3.42 | 2.30 | - | - | 5.72 | 1.57 |
| Total | 6.06 | 1.23 | - | - | 7.29 | 3.42 | 2.30 | - | - | 5.72 | 1.57 |

6.1 The amount of contractual commitment for acquisition of Intangible assets is disclosed in Note no 44.2.

7. NON - CURRENT INVESTMENTS

(Fully Paid up Shares)

| Particulars | Face Value (Rs.) | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|------------------|------------------------|-----------------|------------------------|-----------------|
| | | Qty | Amount | Qty | Amount |
| INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | | | | | |
| Investments in Unquoted Equity Instruments | | | | | |
| Bharat Fritz Werner Limited | 2 | 1,642,034 | 2,135.30 | 1,642,034 | 1,927.09 |
| Kothari Phytochemicals & Industries Limited | 10 | 190,000 | 281.58 | 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 |
| | | | 2,416.90 | | 2,142.95 |
| Aggregate Cost of Unquoted Investments | | | 1,869.76 | | 1,865.93 |

8. LOANS - NON-CURRENT

| Particulars | As at | As at |
|---|------------------|------------------|
| | 31st March, 2020 | 31st March, 2019 |
| Security Deposit (Unsecured) | | |
| Considered good | 196.03 | 245.02 |
| Having significant increase in credit risk | - | - |
| Credit impaired | 7.44 | 5.92 |
| Total | 203.47 | 250.94 |
| Less: Allowance for doubtful security deposit | 7.44 | 5.92 |
| Total Non-Current Loans | 196.03 | 245.02 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)
9. NON-CURRENT TAX ASSETS (NET)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------|-----------------------------------|-----------------------------------|
| Advance Income Tax & TDS | 1,092.09 | 658.82 |
| Less: Provision for Tax | 1,035.00 | 413.00 |
| | 57.09 | 245.82 |

10. OTHER NON-CURRENT ASSETS

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|-----------------------------------|-----------------------------------|
| (Unsecured & considered good) | | |
| Capital Advances | - | 42.01 |
| Advances other than Capital Advances | | |
| Prepaid Expenses | 10.00 | 15.32 |
| Total Other Non-Current Assets | 10.00 | 57.33 |

11. INVENTORIES

(At lower of cost or net realisable value)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------|-----------------------------------|-----------------------------------|
| Raw Materials | 753.30 | 843.45 |
| Work-in-Progress | 329.46 | 338.95 |
| Finished Goods | 1,915.43 | 1,558.84 |
| Stock-in-Trade | 326.27 | 370.55 |
| Stores and Spares | 371.19 | 389.69 |
| Containers & Packing Materials | 576.64 | 903.38 |
| Scrap | - | 0.92 |
| | 4,272.29 | 4,405.78 |

11.1 The above includes goods-in-transit as under:

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------|-----------------------------------|-----------------------------------|
| Raw Materials | 98.33 | 179.20 |
| Finished Goods | 28.58 | 15.32 |
| Stock-in-Trade | 13.80 | 12.87 |
| Store and Spares | 0.40 | 1.00 |
| Containers & Packing Materials | 112.27 | 134.06 |
| | 253.38 | 342.45 |

11.2 Refer note no. 47 for information on inventories pledged as securities by the Company.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

12. CURRENT INVESTMENTS

| Particulars | Face Value (Rs.) | As at 31st March, 2020 | | As at 31st March, 2019 | |
|--|------------------|------------------------|-----------------|------------------------|-----------------|
| | | Qty | Amount | Qty | Amount |
| INVESTMENTS AT FAIR VALUE THROUGH PROFIT & LOSS | | | | | |
| Investments in unquoted Mutual Funds | | | | | |
| ICICI Pru Equity & Debt Fund - Growth | 10 | 377,818.96 | 400.32 | 377,818.96 | 507.94 |
| HDFC Hybrid Equity Fund - Growth | 10 | 928,214.35 | 394.05 | 928,214.35 | 505.36 |
| ABSL Equity Hybrid'95 - Growth | 10 | - | - | 63,391.82 | 482.03 |
| UTI Hybrid Equity Fund - Growth | 10 | - | - | 187,871.27 | 319.33 |
| DSP BR Equity & Bond Fund - Growth | 10 | 217,157.63 | 289.33 | 217,157.63 | 329.22 |
| Nippon Equity Hybrid Equity Fund - Growth | 10 | - | - | 591,229.55 | 325.84 |
| Kotak Standard Multicap Fund | 10 | 310,804.87 | 83.95 | - | - |
| Franklin India Hybrid Equity Fund - Growth | 10 | - | - | 266,105.28 | 321.62 |
| HDFC Floating Rate Income Fund -STP | 10 | 1,683,790.97 | 591.22 | 39,456.47 | 12.83 |
| ICICI Pru Savings Fund - Growth | 100 | 164,536.24 | 637.33 | 77,607.77 | 278.40 |
| ABSL Savings Fund - Growth | 100 | 115,370.39 | 458.62 | 74,018.32 | 273.23 |
| Kotak Overnight Fund - Growth | 1000 | - | - | 30,045.19 | 304.19 |
| Tata Midcap Growth Fund | 100 | 57,367.61 | 61.84 | - | - |
| Tata Absolute Return Fund | 1000 | 20,400.00 | 198.95 | - | - |
| UTI Nifty Index Fund - Growth | 10 | 137,740.67 | 77.72 | - | - |
| Mirae Assets Focused Fund - Growth | 10 | 1,713,739.19 | 144.42 | - | - |
| HDFC Small Cap Fund -Regular - Growth | 10 | 253,622.33 | 65.92 | 253,622.33 | 113.21 |
| Franklin India Smaller Co Fund - Growth | 10 | - | - | 165,581.64 | 91.13 |
| DSP Mid Cap - Regular - Growth | 10 | 116,061.17 | 51.60 | 116,061.17 | 63.74 |
| Axis Midcap Fund - Growth | 10 | 216,512.70 | 70.50 | - | - |
| SBI Liquid Fund - Daily Dividend Plan | 1000 | 537,720.82 | 5,394.68 | - | 4,460.34 |
| Axis Banking & PSU Debt Fund | 1000 | 14,618.79 | 279.42 | - | 255.49 |
| IDFC Banking & PSU Debt Fund | 10 | 1,589,498.09 | 282.03 | - | 255.57 |
| L & T Short Term Bond Fund | 10 | 1,431,691.47 | 278.88 | - | 255.55 |
| | | | 9,760.78 | | 9,155.02 |
| Aggregate amount of cost of Unquoted Investments | | | 9,848.34 | | 8,780.07 |

13. TRADE RECEIVABLES

| Particulars | Current | |
|--|------------------------|------------------------|
| | As at 31st March, 2020 | As at 31st March, 2019 |
| Trade Receivables | 3,012.96 | 2,176.87 |
| Break Up of Trade Receivables | | |
| Secured, considered good | 123.58 | 95.31 |
| Unsecured, considered good | 2,889.38 | 2,081.56 |
| Having significant increase in Credit risk | - | - |
| Credit impaired (unsecured) | 22.82 | 14.25 |
| | 3,035.78 | 2,191.12 |
| Less: Allowance for Doubtful Receivables | 22.82 | 14.25 |
| Total Trade Receivables | 3,012.96 | 2,176.87 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)

13.1 Trade receivables are non-interest bearing and are generally on terms of 21 to 30 days.

13.2 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.

13.3 Refer note no. 47 for information on trade receivables pledged as securities by the Company.

14. CASH AND CASH EQUIVALENTS

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-----------------------|---------------------------|---------------------------|
| Balances With Banks : | | |
| In Current Account | 635.84 | 674.53 |
| Cash in Hand | 5.30 | 5.22 |
| Remittance in Transit | 0.55 | 5.70 |
| | 641.69 | 685.45 |

15. BANK BALANCES (OTHER THAN NOTE: 14)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------------------|---------------------------|---------------------------|
| Balance in Unpaid Dividend Account | 33.23 | 27.13 |
| | 33.23 | 27.13 |

16. LOAN - CURRENT

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Security Deposit (Unsecured) | | |
| Considered good | 41.11 | 53.47 |
| | 41.11 | 53.47 |
| Loans to related parties (Unsecured) | | |
| Considered good | 1,300.00 | 1,385.00 |
| | 1,300.00 | 1,385.00 |
| Other Loans and Advances (Unsecured) | | |
| Considered good | | |
| Loan / Advance to Employees | 11.15 | 11.76 |
| | 11.15 | 11.76 |
| Total Current Loans | 1,352.26 | 1,450.23 |

17. OTHERS FINANCIAL ASSETS-CURRENT

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------------------|---------------------------|---------------------------|
| Interest accrued on Loan / Deposit | 68.93 | 5.33 |
| Claim Receivables | 89.90 | 0.66 |
| | 158.83 | 5.99 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

18. CURRENT TAX ASSETS (NET)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------|---------------------------|---------------------------|
| Advance Income Tax & TDS | 2,669.35 | 3,350.44 |
| Less: Provision for Tax | 2,327.00 | 3,217.21 |
| | 342.35 | 133.23 |

19. OTHER CURRENT ASSETS

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| (Unsecured & considered good) | | |
| Advances other than Capital Advances | | |
| Advances to Suppliers & Service Providers | 104.43 | 87.62 |
| Balances with Government & Statutory Authorities | 371.35 | 396.75 |
| Prepaid Expenses | 39.73 | 31.72 |
| Total Other Current Assets | 515.51 | 516.09 |

20. EQUITY SHARE CAPITAL

20.1 Authorised Share Capital

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | Qty | Amount | Qty | Amount |
| Equity Shares: | | | | |
| Ordinary Shares of Rs. 10/- each | 9,700,000.00 | 970.00 | 9,700,000.00 | 970.00 |
| Preference Shares: | | | | |
| Redeemable Cumulative Shares of Rs. 100/- each | 30,000.00 | 30.00 | 30,000.00 | 30.00 |
| | 9,730,000.00 | 1,000.00 | 9,730,000.00 | 1,000.00 |

20.2 Issued Share Capital

| Equity Shares | As at 31st March, 2020 | | As at 31st March, 2019 | |
|----------------------------------|------------------------|---------------|------------------------|---------------|
| Ordinary Shares of Rs. 10/- each | 5,707,162.00 | 570.72 | 5,707,162.00 | 570.72 |
| | 5,707,162.00 | 570.72 | 5,707,162.00 | 570.72 |

20.3 Subscribed and Paid-up Share Capital

| Equity Shares | As at 31st March, 2020 | | As at 31st March, 2019 | |
|--|------------------------|---------------|------------------------|---------------|
| Ordinary Shares of Rs. 10/- each fully paid-up | 5,707,162.00 | 570.72 | 5,707,162.00 | 570.72 |
| | 5,707,162.00 | 570.72 | 5,707,162.00 | 570.72 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)
20.4 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.

20.5 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 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.

20.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

20.7 Details of Equity Shareholders holding more than 5% shares in the Company

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|--|------------------------|--------|------------------------|--------|
| | Qty | Amount | Qty | Amount |
| Ordinary Shares of Rs. 10/- each fully paid | | | | |
| M/S Kothari Investment & Industries Pvt. Ltd. | 2,352,231.00 | 41.22% | 313,900.00 | 5.50% |
| Mr. Anand Vardhan Kothari | 561,500.00 | 9.84% | 553,500.00 | 9.70% |
| M/S M D Kothari & Company Limited | 393,694.00 | 6.90% | 393,694.00 | 6.90% |
| M/S Vishnuhari Investments & Prop. Ltd. | - | - | 1,139,875.00 | 19.97% |
| M/s Commercial House Private Limited | - | - | 400,334.00 | 7.01% |
| M/S Kothari & Co. Private Limited | - | - | 398,341.00 | 6.98% |

20.8 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.

20.9 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.

20.10 No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

20.11 No calls are unpaid by any Director or Officer of the Company during the year.

21. OTHER EQUITY

| Particulars | Refer Note No. | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------------------|----------------|------------------------|------------------------|
| Capital Reserve | 21.1 | 13.88 | 13.88 |
| Capital Redemption Reserve | 21.2 | 8.45 | 8.45 |
| Securities Premium | 21.3 | 314.72 | 314.72 |
| General Reserve | 21.4 | 12,881.84 | 12,881.84 |
| Retained Earnings | 21.5 | 7,956.58 | 6,991.47 |
| Other Comprehensive Income Reserve | 21.6 | 533.60 | 263.49 |
| | | 21,709.07 | 20,473.85 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)**(Rs. in Lakhs)****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 Comprehensive Income 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 applicant 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 OCL.

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|-----------------------------------|-----------------------------------|
| 21.1 Capital Reserve | | |
| Balance at the beginning and at the end of the year | 13.88 | 13.88 |
| 21.2 Capital Redemption Reserve | | |
| Balance at the beginning and at the end of the year | 8.45 | 8.45 |
| 21.3 Securities Premium | | |
| Balance at the beginning and at the end of the year | 314.72 | 314.72 |
| 21.4 General Reserve | | |
| Balance at the beginning and at the end of the year | 12,881.84 | 12,881.84 |
| 21.5 Retained Earnings | | |
| Balance at the beginning of the year | 6,991.47 | 4,780.58 |
| Add: Profit for the year | 1,916.86 | 2,663.99 |
| | 8,908.33 | 7,444.57 |
| Less: Other Comprehensive Income arising from remeasurement of defined benefit obligation (net of tax) | 57.31 | 74.66 |
| | 57.31 | 74.66 |
| Less: Dividend & Dividend Distribution Tax (Interim) | 481.62 | - |
| Less: Dividend & Dividend Distribution Tax (Final) | 412.82 | 378.44 |
| Balance at the end of the year | 7,956.58 | 6,991.47 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| 21.6 Other Comprehensive Income Reserves | | |
| Equity instrument through Other Comprehensive Income | | |
| Balance at the beginning of the year | 263.49 | 24.47 |
| Add/(Less): Change in Fair Value | 270.11 | 252.54 |
| Add/(Less): Deferred Tax | - | (13.52) |
| Balance at the end of the year | 533.60 | 263.49 |
| Total Other Comprehensive Income Reserve | 533.60 | 263.49 |
| Total Reserve & Surplus | 21,709.07 | 20,473.85 |

22. BORROWINGS - NON-CURRENT

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------|---------------------------|---------------------------|
| Secured | | |
| Lease Obligation | 144.42 | - |
| | 144.42 | - |

23. OTHER FINANCIAL LIABILITIES-NON-CURRENT

| Particulars | Refer Note No. | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------|-------------------|---------------------------|---------------------------|
| Deposit (Cover Money) Stockist | 23.1 | 449.92 | 456.63 |
| Rent Outstanding | | - | 15.90 |
| | | 449.92 | 472.53 |

23.1 Deposit (Cover Money) from Stockist are retained with company till continuation of principal stockist relationship.

24. PROVISIONS-NON-CURRENT

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Provision for Employee Benefits | | |
| Leave Encashment | 1,045.20 | 1,006.33 |
| | 1,045.20 | 1,006.33 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

25. DEFERRED TAX LIABILITIES (NET)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Deferred Tax Liabilities | | |
| Arising on account of : | | |
| Property, Plant & Equipments & Intangible Assets | 454.58 | 604.74 |
| Current Investments | 18.42 | 43.94 |
| Non-Current Investments | - | 13.52 |
| Research & Development | 40.55 | 59.89 |
| Sub-total | 513.55 | 722.09 |
| Less: Deferred Tax Assets | | |
| Arising on account of : | | |
| Provision for Doubtful Debts (ECL Model) | 8.83 | 6.97 |
| Provision for unencashed leave | 382.69 | 465.84 |
| Provision for expected sales return | 96.03 | 124.22 |
| Employee Benefit Payable | 14.52 | 26.13 |
| Others | 7.01 | - |
| Sub-total | 509.08 | 623.16 |
| Deferred Tax Liabilities (Net) | 4.47 | 98.93 |

25.1 Movement in deferred tax asset and deferred tax liabilities during the year ended 31st March, 2019 and 31st March, 2020

| Particulars | As at 1st April, 2018 | Recognized in Statement of Profit & Loss | Recognized in Other Comprehensive Income | As at 31st March, 2019 |
|--|--------------------------|--|---|---------------------------|
| Deferred Income Tax Liabilities | | | | |
| 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 |
| | <u>232.13</u> | <u>(476.44)</u> | <u>(13.52)</u> | <u>722.09</u> |
| Deferred Income Tax Assets | | | | |
| 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) | - | - |
| | <u>618.70</u> | <u>4.46</u> | <u>-</u> | <u>623.16</u> |
| Total | (386.57) | (471.98) | (13.52) | 98.93 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

| Particulars | As at 1st April, 2019 | Recognized in Statement of Profit & Loss | Recognized in Other Comprehensive Income | As at 31st March, 2020 |
|--|--------------------------|--|---|---------------------------|
| Deferred Income Tax Liabilities | | | | |
| Property, Plant & Equipments & Intangible Assets | 604.74 | 150.16 | - | 454.58 |
| Current Investments | 43.94 | 25.52 | - | 18.42 |
| Research & Development | 59.89 | 19.34 | - | 40.55 |
| Non-Current Investments | 13.52 | - | 13.52 | - |
| | <u>722.09</u> | <u>195.02</u> | <u>13.52</u> | <u>513.55</u> |
| Deferred Income Tax Assets | | | | |
| Provision for Doubtful Debts (ECL Model) | 6.97 | 1.86 | - | 8.83 |
| Provision for unencashed leave | 465.84 | (83.15) | - | 382.69 |
| Provision for expected sales return | 124.22 | (28.19) | - | 96.03 |
| Employee Benefit Payable | 26.13 | (11.61) | - | 14.52 |
| Others | - | 7.01 | - | 7.01 |
| | <u>623.16</u> | <u>(114.08)</u> | <u>-</u> | <u>509.08</u> |
| Total | <u>98.93</u> | <u>80.94</u> | <u>13.52</u> | <u>4.47</u> |

26. BORROWINGS - CURRENT

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Secured | | |
| Loan from Banks | | |
| Working Capital loans repayable on demand | - | 44.24 |
| | <u>-</u> | <u>44.24</u> |

26.1 Details of Security Given for Loan

Borrowings from State Bank of India are secured by hypothecation of Inventories, Book Debts and first 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

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Secured | | |
| Trade Payables for goods and services | | |
| Total outstanding dues of micro enterprises and small enterprises | 10.03 | 14.08 |
| Total outstanding dues of creditor other than micro enterprises and small enterprises | 3,967.90 | 2,955.21 |
| | <u>3,977.93</u> | <u>2,969.29</u> |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

28. OTHER FINANCIAL LIABILITIES-CURRENT

| Particulars | Refer Note No. | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------------|-------------------|---------------------------|---------------------------|
| Amount payable for Capital Goods | | 61.66 | 23.31 |
| Refundable Security Deposit | | 20.89 | 51.14 |
| Unpaid dividends | 28.1 | 33.23 | 27.13 |
| Employees related dues | | 2,098.05 | 1,477.32 |
| Current maturity of Lease Obligation | | 60.33 | - |
| | | 2,274.16 | 1,578.90 |

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 31st March, 2020 | As at 31st March, 2019 |
|----------------------------------|---------------------------|---------------------------|
| Statutory Dues Payable | 183.05 | 192.73 |
| Advances Received from Customers | 45.66 | 99.03 |
| Other Liability | - | 39.15 |
| | 228.71 | 330.91 |

30. PROVISIONS-CURRENT

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Provision for Employee Benefits | | |
| Gratuity | 151.01 | 81.24 |
| Bonus | 233.18 | 234.83 |
| Leave Encashment | 268.99 | 326.76 |
| Other Provision | | |
| Provision for expected sales return | 326.55 | 358.77 |
| Other Provision | 529.36 | 337.13 |
| | 1,509.09 | 1,338.73 |

31. CURRENT TAX LIABILITY (NET)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------|---------------------------|---------------------------|
| Provision for tax | 4,538.79 | 5,065.88 |
| Less: Advance Income Tax & TDS | 4,430.80 | 4,489.02 |
| | 107.99 | 576.86 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)
32. REVENUE FROM OPERATIONS

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---------------------------------|--|--|
| Revenue From Operations | | |
| Sale of Finished Goods | 31,843.20 | 31,270.41 |
| | 31,843.20 | 31,270.41 |
| Other Operating Revenues | | |
| Manufacturing & Other Scrap | 129.08 | 186.95 |
| Export Incentive | 107.22 | 231.74 |
| | 236.30 | 418.69 |
| | 32,079.50 | 31,689.10 |

33. OTHER INCOME

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|--|--|
| Interest Income at amortised cost | | |
| On Bank Deposits | 1.57 | 3.68 |
| On Inter Corporate Deposits and Others | 154.03 | 182.45 |
| Dividend Income | | |
| On equity investment designated at FVOCI | 28.08 | 5.70 |
| On mutual fund measured at FVTPL | 236.29 | 162.43 |
| Other Non Operating Income | | |
| Net Gain on Investment classified at FVTPL | - | 200.33 |
| Net Gain on Sale of Investment classified at FVTPL | 20.87 | 10.25 |
| Profit on Sale of Fixed Assets (Net) | 13.21 | - |
| Exchange Gain (Net) | 0.06 | 33.60 |
| Excess Provision on Doubtful Loan written back | - | 3.69 |
| Excess Provision on Doubtful Trade Receivables written back | 5.29 | - |
| Liabilities written back | 101.17 | 42.02 |
| Claim Receipts | 87.51 | 19.54 |
| Miscellaneous Receipts | 63.01 | 14.85 |
| | 711.09 | 678.54 |

34. COST OF MATERIALS CONSUMED

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|------------------|--|--|
| Raw Material | 2,500.58 | 2,715.77 |
| Packing Material | 3,109.73 | 3,181.34 |
| | 5,610.31 | 5,897.11 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

35. PURCHASE OF STOCK-IN-TRADE

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|-----------------------------|--|--|
| Purchases of Stock-in-Trade | 5,232.14 | 4,646.24 |
| | 5,232.14 | 4,646.24 |

36. (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|--|--|
| Inventories at the beginning of the year | | |
| Finished Goods | 1,558.84 | 1,599.20 |
| Stock-in-Trade | 370.55 | 354.87 |
| Work in progress | 338.95 | 439.75 |
| | 2,268.34 | 2,393.82 |
| Inventories at the end of the year | | |
| Finished Goods | 1,915.43 | 1,558.84 |
| Stock-in-Trade | 326.27 | 370.55 |
| Work in progress | 329.46 | 338.95 |
| | 2,571.16 | 2,268.34 |
| Total changes in inventories of work-in-progress, stock-in-trade and finished goods | (302.82) | 125.48 |

37. EMPLOYEE BENEFITS EXPENSE

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|--|--|
| Salaries, Wages & Bonus | 7,524.39 | 7,362.46 |
| Contribution to Gratuity Fund | 186.23 | 186.02 |
| Contribution to Provident & Other Funds | 597.78 | 614.24 |
| Staff Welfare Expenses | 725.57 | 786.02 |
| | 9,033.97 | 8,948.74 |

38. FINANCE COST

| Particulars | Refer Note No. | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|-----------------------|-------------------|--|--|
| Interest Expenses | 38.1 | 63.70 | 39.09 |
| Other Borrowing Costs | | 15.90 | 22.65 |
| | | 79.60 | 61.74 |

38.1 Interest Expenses include Rs. 26.97 lakhs (Previous Year Rs. Nil) for Lease Obligation.

39. DEPRECIATION AND AMORTIZATION EXPENSES

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|----------------------------------|--|--|
| On Property, Plant and Equipment | 761.69 | 695.50 |
| On Intangible Assets | 5.78 | 2.30 |
| | 767.47 | 697.80 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)
40. OTHER EXPENSES

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|--|--|--|
| Manufacturing, Administrative & Selling Expenses | | |
| Stores Consumed | 140.20 | 159.30 |
| Power & Fuel | 1,348.51 | 1,238.97 |
| Carriage Inward | 119.23 | 137.72 |
| Rent (Refer Note No.49) | 81.53 | 195.99 |
| Rates & Taxes | 14.77 | 11.30 |
| Repairs & Renewals : | | |
| Building | 68.31 | 35.15 |
| Plant & Machinery | 277.54 | 314.00 |
| Others | 83.89 | 82.57 |
| Insurance | 52.43 | 55.56 |
| Miscellaneous Expenses | 730.89 | 595.94 |
| Travelling, Conveyance & Vehicle Upkeep | 142.89 | 162.53 |
| Research & Development expenses (Refer Note No.45) | 163.69 | 257.57 |
| Electricity | 34.87 | 37.64 |
| Bank Charges & Guarantee Commission | 18.86 | 24.35 |
| Professional Service Charges | 101.56 | 94.70 |
| Donation | 200.00 | 200.50 |
| Processing Charges | 66.70 | 75.51 |
| Export Expenses | 216.02 | 315.52 |
| Field Personnel Expenses | 1,935.63 | 1,667.01 |
| Freight, Forwarding & Transportation | 944.79 | 985.93 |
| Sales Promotion Expenses | 818.75 | 981.15 |
| Sample Distribution (Refer Note No.60) | 1,060.93 | 1,044.22 |
| Commission | 322.63 | 261.80 |
| Directors' Meeting Fees | 11.60 | 10.00 |
| Sales / Service / Goods & Service Tax | 91.98 | 59.56 |
| Corporate Social Responsibility Expenditure (Refer Note No.51) | 44.08 | 40.26 |
| Provision for Doubtful Loans | 1.50 | - |
| Provision for Doubtful Receivables | 13.86 | 1.41 |
| Bad Debts Written Off | 6.95 | - |
| Loss on Sale of Fixed Assets (Net) | - | 7.94 |
| Net (Gain)/ Loss on Investment Classified at FVTPL | 350.63 | - |
| Net (Gain)/ Loss on Derivatives at FVTPL | - | 41.56 |
| Payment to the Auditors: (Net of Tax) | | |
| Audit Fees | 5.00 | 4.00 |
| Tax Audit Fees | 0.37 | 0.37 |
| Other Services | 2.40 | 2.70 |
| Reimbursement of Expenses | 1.49 | 2.68 |
| | 9,474.48 | 9,105.41 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

41. TAX EXPENSE

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|--------------|--|--|
| Current Tax | 1,059.52 | 1,132.69 |
| Deferred Tax | (80.94) | (20.00) |
| | 978.58 | 1,112.69 |

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.

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|--|--|
| Profit from before income tax expense | | |
| Continuing Operation | 2,895.44 | 2,885.12 |
| Discontinued Operation | - | 1400.85 |
| Total | 2,895.44 | 4,285.97 |
| Indian Statutory Income Tax rate* | 29.12% | 34.94% |
| Estimated Income Tax Expense | 843.15 | 1497.70 |
| Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense | | |
| Effect of Tax Allowance | (41.28) | (72.15) |
| Effect of Deferred Tax created at different rate | - | 7.03 |
| Effect of expenses not deductible | 109.71 | 157.99 |
| Others | 67.00 | 31.41 |
| | 978.58 | 1621.98 |
| Income tax expense in Statement of Profit & Loss | | |
| Continuing Operation | 978.58 | 1,112.69 |
| Discontinued Operation | - | 509.29 |
| Total | 978.58 | 1,621.98 |

*Applicable Indian Statutory Income Tax rate for Fiscal Year 2019-2020 is 29.120% & 2018-2019 is 34.944%.

42. DISCONTINUED OPERATIONS

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|--|--|
| Total Income from operations | - | 1,501.79 |
| Total Expenses | - | 100.94 |
| Profit/(Loss) before Tax | - | 1,400.85 |
| Tax Expenses | - | (509.29) |
| Profit/ (Loss) from discontinued operations | - | 891.56 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)
43. EARNING PER SHARE

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|--|--|
| Nominal Value of Equity Shares (Rs.) | 10 | 10 |
| Profit attributed to the Equity shareholders of the Company | | |
| - Continuing & Discontinued Operations | 1,916.86 | 2,663.99 |
| - Continuing Operations | 1,916.86 | 1,772.43 |
| - Discontinued Operations | - | 891.56 |
| Weighted average number of equity shares | 5707162 | 5707162 |
| Basic and diluted earning per shares (Rs.) | | |
| - Continuing & Discontinued Operations | 33.59 | 46.68 |
| - Continuing Operations | 33.59 | 31.06 |
| - Discontinued Operations | - | 15.62 |

There are no dilutive equity shares in the Company.

44. CONTINGENT LIABILITIES, CONTINGENT ASSETS & COMMITMENT TO THE EXTENT NOT PROVIDED FOR:
44.1 Contingent Liabilities

| Sl. No. Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Claims/Disputes/Demands not acknowledged as debts - | | |
| i. Income Tax Matters | - | 118.81 |
| ii. Excise Matters | 248.87 | 3.83 |
| iii. Sales Tax/ VAT Matters | 6.55 | 13.94 |
| iv. Others | 158.65 | 157.33 |

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

| Sl. No. Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| i. Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances amount Rs.Nil, Previous year Rs.42.01). | - | 71.77 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

45. RESEARCH AND DEVELOPMENT EXPENSES INCLUDES EXPENSES UNDER THE FOLLOWING HEADS:

| Particulars | 2019-20 | 2018-19 |
|---|---------------|---------------|
| Revenue Expenditure | | |
| Salary & Wages | 100.20 | 170.63 |
| Gratuity | 13.51 | 8.53 |
| Contribution to Provident Fund | 9.87 | 14.25 |
| Staff Welfare | 1.65 | 13.37 |
| Travelling, Conveyance & Vehicle Upkeep | 5.71 | 9.34 |
| Power & Fuel | 25.86 | 24.09 |
| Stores Consumed | 2.50 | 6.48 |
| Cost of Materials Consumed | 0.14 | 1.01 |
| Repairs & Renewals : | | |
| Machinery | 3.59 | 7.52 |
| Building | 0.15 | - |
| Others | 0.24 | 0.21 |
| Miscellaneous Expenses | 0.27 | 2.14 |
| Sub-total | 163.69 | 257.57 |
| Capital Expenditure | - | - |
| Sub-total | - | - |
| Total Expenditure | 163.69 | 257.57 |

46. MOVEMENT OF PROVISION OF EMPLOYEE BENEFIT AND EXPECTED SALES RETURN:

| Particulars | Employee Benefit | Expected Sales Return |
|---------------------------------|------------------|-----------------------|
| As on 1st April, 2018 | 2068.08 | 325.45 |
| Add/(less): Created/ (Utilised) | (418.91) | 33.32 |
| As on 31st March, 2019 | 1,649.17 | 358.77 |
| Add/(less): Created/ (Utilised) | 49.21 | (32.22) |
| As on 31st March, 2020 | 1,698.38 | 326.55 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)
47. ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current are:

| Particulars | <u>As at 31st March, 2020</u> | <u>As at 31st March, 2019</u> |
|--|-----------------------------------|-----------------------------------|
| Current | | |
| Financial assets | 3,012.96 | 2,176.87 |
| First charge | | |
| Trade Receivables | 3,012.96 | 2,176.87 |
| Cash and cash equivalents | - | - |
| Receivables & Current Investments | - | - |
| Non-financial assets | <u>4,272.29</u> | <u>4,405.78</u> |
| First charge | | |
| Inventories | 4,272.29 | 4,405.78 |
| Total current assets pledged as security | <u>7,285.25</u> | <u>6,582.65</u> |
| Non-current | | |
| First charge | | |
| Property, Plant & equipments including Capital WIP | 7,668.22 | 8,212.81 |
| Total non-currents assets pledged as security | <u>7,668.22</u> | <u>8,212.81</u> |
| Total assets pledged as security | <u>14,953.47</u> | <u>14,795.46</u> |

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 4TH SEPTEMBER, 2015

| Sl. No. | Particulars | <u>As at 31st March, 2020</u> | <u>As at 31st March, 2019</u> |
|---------|--|-----------------------------------|-----------------------------------|
| i | The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year. | 10.03 | 14.08 |
| 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 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)**(Rs. in Lakhs)****49 LEASES****49.1 As Lessee**

49.1.1 Pursuant to Ind AS-17 giving way to Ind AS-116 on accounting of lease effective from April 1, 2019, the Company, in the capacity of Lessee of part of premises has applied same under modified retrospective approach meant for recognising right of use (ROU) on application date with the creation of corresponding lease liability subject to due adjustments, measurement of ROU assets being on the basis of discounting of future lease payment by use of interest rate on incremental borrowing.

Leases for which the lease term ends within 12 months of the date of initial application have been accounted as short term leases.

49.1.2 Further, refer Note 3.5: Significant Accounting Policies for detailed measurement and recognition principles on Leases.

49.1.3 On transition, the adoption of the new standard resulted in recognition of <Right of Use> asset of Rs 257.46 lakhs, and a lease liability of Rs 269.70 lakhs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

49.1.4 The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 10%.

49.1.5 The details of ROU Asset included in PPE (Note 5) held as lessee by class of underlying asset are presented below :-

| Asset Class | Items Added to RoU Asset as on 1st April, 2019 | Addition | Depreciation | Net carrying value as on 31st March, 2020 |
|--------------------|--|----------|--------------|---|
| Leasehold Land | 5.61 | - | 0.09 | 5.52 |
| Leasehold Building | 257.46 | - | 73.94 | 183.52 |
| Total | 263.07 | | 74.03 | 189.04 |

49.1.6 As per the requirement of the standard, maturity analysis of lease liability have been shown under maturity analysis of Long term borrowing under Liquidity risk Note 56.2.1. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

49.1.7 Rental expense recorded for short-term leases or cancellable in nature amounts to Rs. 81.53 lakhs for the year ended 31st March, 2020 (Refer Note - 40).

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)

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)
50.1 Defined Contribution Plan:

The amount recognized as an expense for the Defined Contribution Plans are as under:

| Sl. No. | Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---------|---------------------------------|--|--|
| a | Provident Fund | 607.66 | 623.70 |
| b | Employee State Insurance Scheme | 32.85 | 37.52 |

50.2 Defined Benefit Plan:
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 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:

| | |
|---------------------------|--|
| INTEREST RATE RISK | The Defined Benefit Obligation calculation uses a discount rate based on government bonds. If bonds yield fall, the defined benefit obligation will increase. |
| SALARY GROWTH RISK | 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. |
| DEMOGRAPHIC RISK | 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 depend upon the combination of factors drawing weightage from salary increase, discount rate and vesting criteria. |

50.2.3 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:

| Particulars | Gratuity | |
|---|----------|----------|
| | 2019-20 | 2018-19 |
| Balance at the beginning of the year | 3,656.08 | 3,491.99 |
| Current Service Cost | 182.20 | 180.55 |
| Interest Cost on Defined Benefit Obligation | 281.52 | 253.25 |
| Actuarial Gain and Losses arising from | | |
| Changes in demographic assumptions | - | - |
| Changes in financial assumptions | 160.07 | 16.57 |
| Experience Adjustment | (75.29) | 119.63 |
| Benefits Paid from the Plan Assets | (667.96) | (405.91) |
| Balance at the end of the year | 3,536.62 | 3,656.08 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

50.2.4 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:

| Particulars | Gratuity | |
|--|----------|----------|
| | 2019-20 | 2018-19 |
| Balance at the beginning of the year | 3574.83 | 2952.35 |
| Interest Income on Plan Assets | 258.60 | 227.33 |
| Remeasurement of Defined Benefit Obligation: | | |
| Return on plan assets greater/ (lesser) than discount rate | (15.14) | 21.43 |
| Employer Contributions to the Plan | 235.28 | 779.64 |
| Benefits Paid from the Plan Assets | (667.96) | (405.91) |
| Balance at the end of the year | 3385.61 | 3574.84 |

50.2.5 Net Assets (Liability) recognised in the Balance Sheet

| Particulars | Gratuity | |
|---|----------|----------|
| | 2019-20 | 2018-19 |
| Net Defined benefit at the end of the year | 3,536.62 | 3,656.08 |
| Value of the Plan Assets | 3,385.61 | 3,574.84 |
| Unfunded liability/provision in the Balance Sheet | 151.01 | 81.24 |

50.2.6 Expenses recognized in profit or loss

| Particulars | Gratuity | |
|--------------------------------|----------|----------|
| | 2019-20 | 2018-19 |
| Current Service Cost | 182.21 | 180.55 |
| Interest Cost | 281.52 | 253.25 |
| Interest Income on Plan Assets | (258.60) | (227.33) |
| Total | 205.13 | 206.47 |

50.2.7 Remeasurements recognized in other comprehensive income

| Particulars | Gratuity | |
|--|----------|---------|
| | 2019-20 | 2018-19 |
| Actuarial (gain)/ Loss on defined benefit obligation | 84.78 | 136.20 |
| Return on plan assets greater/ (lesser) than discount rate | 15.14 | (21.43) |
| Total | 99.92 | 114.77 |

50.2.8 Major Categories of Plan Assets

| Particulars | Gratuity | |
|----------------------------|----------|---------|
| | 2019-20 | 2018-19 |
| 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.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)
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

| Particulars | Gratuity | |
|--------------------------------|--|--|
| | 2019-20 | 2018-19 |
| Financial Assumptions | | |
| Discount Rate | 7.00% | 7.70% |
| Salary Escalation Rate | 6.00% | 6.00% |
| Demographic Assumptions | | |
| 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.

50.2.12 At 31st March 2020, the weighted average duration of the defined benefit obligation was 5.28 years (previous year 5.49). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

| Expected benefits payment for the year ending on | Gratuity |
|--|----------|
| 31st March 2021 | 560.96 |
| 31st March 2022 | 180.71 |
| 31st March 2023 | 405.42 |
| 31st March 2024 | 317.80 |
| 31st March 2025 | 449.52 |
| 31st March 2026 to 31st March 2030 | 1679.48 |

50.2.13 The Company expects to contribute Rs.254.55 Lakhs (previous year Rs.184.57 Lakhs) to its gratuity fund in 2020-21.

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:

| Particulars | Gratuity | |
|--|----------|----------|
| | 2019-20 | 2018-19 |
| Effect on DBO due to 1% increase in Discount Rate | (224.62) | (213.86) |
| Effect on DBO due to 1% decrease in Discount Rate | 254.52 | 241.01 |
| Effect on DBO due to 1% increase in Salary Escalation Rate | 245.50 | 231.10 |
| Effect on DBO due to 1% decrease in Salary Escalation Rate | (222.16) | (209.90) |

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.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

51. In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, the requisite disclosure as follows:

51.1

| Particulars | 2019-20 | 2018-19 |
|--|---------|---------|
| Gross Amount Required to be spent by the company during the year | 44.08 | 40.26 |
| Provision made in relation to CSR expenditure | 44.08 | 40.26 |

51.2 Amount spent during the year on:

| Sl. No. | Particulars | In Cash | Yet to be paid in cash | Total |
|---------|--|---------|------------------------|---------|
| i | Construction/ Acquisition of any asset | 1.86 | - | 1.86 |
| | | (1.89) | (-) | (1.89) |
| ii | On purpose other than above | 33.06 | 9.16 | 42.22 |
| | | (28.55) | (9.82) | (38.37) |

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:

| Category | Nature | Name | Designation |
|----------|--------------------------|------------------------------|--|
| I) | Key Management Personnel | Mr. Arun Kumar Kothari | Executive Chairman |
| | | Mrs. Prabhawati Devi Kothari | Non-Executive Promoter Director |
| | | Mr. Tarminder Singh Parmar | Managing Director & CEO |
| | | Mr. Rajiv Singhi | Independent Director |
| | | Mr. Hemal Kampani | Independent Director |
| | | Mr. Arindam Sarkar | Independent Director |
| | | Mr. Shirish G. Belapure | Independent Director |
| | | Dr. A. K. Bhattacharya | Independent Director (up to March 31, 2019) |
| | | Mr. Subhash Chandra Shah | Vice President (Finance) & CFO |
| | | Mr. Indrajit Dhar | Associate V.P. (Accounts & Tax.) - cum-Company Secretary |

| Category | Nature | Name of the Firm |
|----------|---|---|
| II) | Name of the Companies / Firms in which KMP and their relatives have Significant Influence | i) Moore Stephens Singhi Advisors LLP |
| | | ii) Kothari Medical Centre |
| | | iii) Satyam Financial Services Limited |
| | | iv) Bharat Fritz Werner Limited |
| | | v) Kothari Phytochemicals & Industries Limited |
| | | vi) Gillanders Arbuthnot and Company Limited |
| | | vii) Kothari & Co. Pvt. Limited |
| | | viii) Kothari Capital and Securities Pvt. Limited |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)
52.2 Transactions during the year

| Particulars | 2019 - 2020 | | 2018 – 2019 | |
|--|--------------|---------------|--------------|---------------|
| | Category - I | Category - II | Category - I | Category - IV |
| Rent | - | 24.35 | - | 24.35 |
| Electricity charges | - | 10.08 | - | 12.49 |
| Service Charges | - | 0.17 | - | 0.25 |
| Professional Service Charges paid | - | 4.25 | - | 5.00 |
| Dividend Received | - | 28.08 | - | 5.70 |
| Interest received | - | 145.35 | - | 156.58 |
| Remuneration to Key Management Personnel | 499.56 | - | 431.37 | - |
| Directors Fees | 11.60 | - | 10.00 | - |
| Repayment of loan given | - | 85.00 | - | 1800.00 |
| Donation | - | 200.00 | - | 200.00 |
| Loan given | - | - | - | 1600.00 |
| Corporate guarantee commission paid | - | 1.00 | - | 1.00 |

52.3 Key Managerial Personnel compensation

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|------------------------------|--|--|
| Short term employee benefits | 487.38 | 426.56 |
| Post employment benefits | 12.18 | 4.81 |
| Total compensation | 499.56 | 431.37 |

52.4 Balance Outstanding as at Balance Sheet date

| Particulars | For the year ended 31st March, 2020 | | For the year ended 31st March, 2019 | |
|---|--|---------------|--|---------------|
| | Category - I | Category - II | Category - I | Category - II |
| Corporate Guarantee Commission payable | - | 0.95 | - | - |
| Investment in Equity Shares of Bharat Fritz Werner Limited | - | 2135.30 | - | 1927.09 |
| Investment in Equity Shares of Kothari Phytochemicals & Industries Limited | - | 281.58 | - | 215.84 |
| Loans given | - | 1300.00 | - | 1300.00 |
| Interest receivable | - | 64.53 | - | - |
| Electricity charges payable | - | 1.51 | - | - |

52.5 Terms and Conditions of transactions with Related Parties

All Related Party Transactions entered during the financial year ended March 31, 2020 were in the ordinary course of business and were on arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

53 CATEGORIES OF FINANCIAL ASSETS & FINANCIAL LIABILITIES

As at 31st March 2020 and 31st March 2019

| Particulars | 31st March 2020 | | | 31st March 2019 | | |
|------------------------------------|-----------------|----------------|----------------|-----------------|----------------|----------------|
| | FVTPL | FVOCI | Amortized Cost | FVTPL | FVOCI | Amortized Cost |
| Financial Assets | | | | | | |
| Investment | | | | | | |
| - Equity Instruments | - | 2416.90 | - | - | 2142.95 | - |
| - Mutual Funds | 9760.78 | - | - | 9155.02 | - | - |
| Trade Receivables | - | - | 3012.96 | - | - | 2176.87 |
| Cash and Cash Equivalents | - | - | 641.69 | - | - | 685.45 |
| Bank Balance other than above | - | - | 33.23 | - | - | 27.13 |
| Loans to Employees | - | - | 11.15 | - | - | 11.76 |
| Loans to Related Parties | - | - | 1300.00 | - | - | 1385.00 |
| Security Deposits | - | - | 237.14 | - | - | 298.49 |
| Other Financial Assets | - | - | 158.83 | - | - | 5.99 |
| Derivative Contracts | - | - | - | - | - | - |
| Total Financial Assets | 9760.78 | 2416.90 | 5395.00 | 9155.02 | 2142.95 | 4590.69 |
| Financial Liabilities | | | | | | |
| Borrowings | - | - | 144.42 | - | - | 44.24 |
| Trade Payables | - | - | 3997.93 | - | - | 2969.29 |
| Other Financial Liabilities | - | - | 2724.08 | - | - | 2051.43 |
| Total Financial Liabilities | - | - | 6846.43 | - | - | 5064.96 |

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:

| Particulars | 31st March, 2020 | | 31st March, 2019 | |
|------------------------------------|------------------|----------------|------------------|----------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Assets | | | | |
| Trade Receivables | 3012.96 | 3012.96 | 2176.87 | 2176.87 |
| Cash and Cash Equivalents | 641.69 | 641.69 | 685.45 | 685.45 |
| Bank Balance other than above | 33.23 | 33.23 | 27.13 | 27.13 |
| Loans to Employees | 11.15 | 11.15 | 11.76 | 11.76 |
| Loans to Related Parties | 1300.00 | 1300.00 | 1385.00 | 1385.00 |
| Security Deposits | 237.14 | 237.14 | 298.49 | 298.49 |
| Other Financial Assets | 158.83 | 158.83 | 5.99 | 5.99 |
| Total Financial Assets | 5395.00 | 5395.00 | 4590.69 | 4590.69 |
| Financial Liabilities | | | | |
| Borrowings | 144.42 | 144.42 | 44.24 | 44.24 |
| Trade Payables | 3977.93 | 3977.93 | 2969.29 | 2969.29 |
| Other Financial Liabilities | 2724.08 | 2724.08 | 2051.43 | 2051.43 |
| Total Financial Liabilities | 6846.43 | 6846.43 | 5064.96 | 5064.96 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)

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

| Particulars | 31st March 2020 | | | 31st March 2019 | | |
|-------------------------------|-----------------|----------|----------------|-----------------|----------|----------------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial Assets | | | | | | |
| Investment | | | | | | |
| - Equity Instruments | - | - | 2416.90 | - | - | 2142.95 |
| - Mutual Funds | 9760.78 | - | - | 9155.02 | - | - |
| Total Financial Assets | 9760.78 | - | 2416.90 | 9155.02 | - | 2142.95 |

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 31/03/2020 which worked out to Rs.2135.30 lacs ipso facto entailing the difference for accountal under other comprehensive income - net of deferred tax applicable thereon. The company's investment in Kothari Phytochemicals & Industries Limited worth Rs. 215.84 lacs .

(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, 2020 and March 31, 2019, 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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)**(Rs. in Lakhs)**

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:

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:

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)

| Particulars | As at | As at |
|--|------------------|------------------|
| | 31st March, 2020 | 31st March, 2019 |
| Gross carrying amount | 3035.78 | 2191.12 |
| Expected credit losses (Loss allowance provision) | 22.82 | 14.25 |
| Carrying amount of trade receivables (net of impairment) | 3012.96 | 2176.87 |
| Reconciliation of loss allowance provision – | | Amount |
| Loss allowance on 1 April 2018 | | 12.84 |
| Changes in loss allowance | | 1.41 |
| Loss allowance on 31 March 2019 | | 14.25 |
| Changes in loss allowance | | 8.57 |
| Loss allowance on 31 March 2020 | | 22.82 |

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.

56.2.1 Maturity Analysis for financial liabilities

- a The following are the remaining contractual maturities of financial liabilities as at 31st March 2020

| Particulars | On Demand | Less than 1 year | More than 1 year | Total |
|-----------------------------|-----------|------------------|------------------|----------------|
| Non-derivative | | | | |
| Trade payables | - | 3977.93 | - | 3977.93 |
| Borrowings | - | - | 144.42 | 144.42 |
| Other financial liabilities | - | 2274.16 | 449.92 | 2724.08 |
| Total | - | 6252.09 | 594.34 | 6846.43 |

- b The following are the remaining contractual maturities of financial liabilities as at 31st March 2019

| Particulars | On Demand | Less than 1 year | More than 1 year | Total |
|---|--------------|------------------|------------------|----------------|
| Non-derivative | | | | |
| Trade payables | - | 2969.29 | - | 2969.29 |
| Borrowings | | | | |
| Working Capital loans repayable on demand | 44.24 | - | - | 44.24 |
| Other financial liabilities | - | 1578.90 | 472.53 | 2051.43 |
| Total | 44.24 | 4548.19 | 472.53 | 5064.96 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)**(Rs. in Lakhs)**

- 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.

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.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

| Particulars | 31st March, 2020 | | 31st March, 2019 | |
|---|------------------|------|------------------|------|
| | USD | EUR | USD | EUR |
| Financial Assets | | | | |
| Trade Receivables | 130.58 | - | 249.05 | 7.11 |
| Advances to Suppliers | 6.70 | - | - | - |
| Bank Balance | 55.89 | 0.08 | 46.42 | 0.07 |
| Net Exposure to foreign currency risk (assets) | 193.17 | 0.08 | 295.47 | 7.18 |
| Financial Liabilities | | | | |
| Trade Payables | 282.23 | - | 382.69 | - |
| Advances from Customers | 34.44 | - | 57.19 | - |
| Net Exposure to foreign currency risk (Liabilities) | 316.67 | - | 439.88 | - |

b Sensitivity Analysis

A reasonably possible strengthening (weakening) of the INR against USD and EUR as at 31st 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.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)

| Particulars | 31st March 2020 | | | 31st March 2019 | | |
|----------------------------|----------------------|-------------------|--------------|----------------------|-------------------|--------------|
| | Sensitivity Analysis | Impact On | | Sensitivity Analysis | Impact On | |
| | | Profit Before Tax | Other Equity | | Profit Before Tax | Other Equity |
| USD Sensitivity (Increase) | 5.00% | (6.18) | (4.38) | 5.00% | (7.22) | (4.70) |
| USD Sensitivity (Decrease) | 5.00% | 6.18 | 4.38 | 5.00% | 7.22 | 4.70 |
| EUR Sensitivity (Increase) | 5.00% | 0.00 | 0.00 | 5.00% | 0.36 | 0.23 |
| EUR Sensitivity (Decrease) | 5.00% | (0.00) | (0.00) | 5.00% | (0.36) | (0.23) |

c Details of unhedged Foreign Currency exposure as at Balance Sheet date:

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------|---------------------------|---------------------------|
| Trade Receivable | 130.58 | 256.16 |
| Advances to Suppliers | 6.70 | - |
| Bank Balance | 55.89 | 46.49 |
| | 193.17 | 302.65 |
| Trade Payable | 282.23 | 382.69 |
| Advances from Customers | 34.44 | 57.19 |
| | 316.67 | 439.88 |

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

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---------------------------|---------------------------|---------------------------|
| Investment in Mutual Fund | | |
| - Debt Instrument | 7922.18 | 6095.61 |

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rs. in Lakhs)

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.

| Particulars | 31st March 2020 | | | 31st March 2019 | | |
|---------------------------|----------------------|-------------------|--------------|----------------------|-------------------|--------------|
| | Sensitivity Analysis | Impact On | | Sensitivity Analysis | Impact On | |
| | | Profit Before Tax | Other Equity | | Profit Before Tax | Other Equity |
| Interest Rate Increase by | 1.00% | 79.22 | 56.15 | 1.00% | 60.96 | 39.86 |
| Interest Rate Decrease by | 1.00% | (79.22) | (56.15) | 1.00% | (60.96) | (39.86) |

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

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Investment in Mutual Funds - Equity Instrument | 1838.60 | 3059.41 |

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.

| Particulars | 31st March 2020 | | | 31st March 2019 | | |
|----------------------|----------------------|-------------------|--------------|----------------------|-------------------|--------------|
| | Sensitivity Analysis | Impact On | | Sensitivity Analysis | Impact On | |
| | | Profit Before Tax | Other Equity | | Profit Before Tax | Other Equity |
| Market rate Increase | 5.00% | 91.93 | 56.13 | 5.00% | 152.97 | 100.03 |
| Market rate Decrease | 5.00% | (91.93) | (56.13) | 5.00% | (152.97) | (100.03) |

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.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)
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 26th December, 2017. During the previous year the process of disposal of asset of Mandideep Unit was completed. The profit of discontinued operation 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

| Sl. No. | Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|------------------|---|--|--|
| Revenue : | | | |
| (1) | Sale | - | 30.95 |
| (2) | Other Income: | | |
| | Interest | - | 0.60 |
| | Liability written back | - | 1.41 |
| | Profit on sale of fixed assets (Net) | - | 1468.83 |
| | | - | 1470.84 |
| (3) | Total Income | - | 1501.79 |
| Expenses: | | | |
| (4) | Expenses | | |
| | Cost of Material | - | 20.84 |
| | Employees benefit expenses | - | 40.18 |
| | Other Expenses | - | 35.90 |
| | Depreciation & Amortization | - | 4.02 |
| | Current Tax | - | 17.31 |
| | Deferred Tax | - | 491.98 |
| (5) | Total Expenses | - | 610.23 |
| (6) | Profit / (Loss) from discontinued operations (3-5) | - | 891.56 |

(c) Cash flows attributable to the discontinued operations:

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---------------------------|--|--|
| Operating Activities | - | 38.58 |
| Investing Activities | - | 1,491.81 |
| Net cash inflows/ outflow | - | 1530.39 * |

* 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.)**(Rs. in Lakhs)****60 SAMPLE DISTRIBUTION INCLUDES EXPENSES UNDER THE FOLLOWING HEADS**

| Expenses Head | 2019-20 | 2018-19 |
|---|-----------------|-----------------|
| Salary | 198.11 | 168.54 |
| Provident Fund | 18.33 | 16.21 |
| Gratuity | 12.32 | 10.74 |
| Staff Welfare | 18.23 | 15.94 |
| Cost of Material Consumed | 288.87 | 250.62 |
| Store Consumed | 16.04 | 15.55 |
| Purchase of Stock in Trade | 218.76 | 284.72 |
| Freight, Forwarding & Transportation | 0.44 | 0.47 |
| Power & Fuel | 42.80 | 37.37 |
| Repair & Renewal | 28.66 | 25.06 |
| Travelling, Conveyance & Vehicle upkeep | 3.24 | 3.20 |
| Professional Service charges | 2.60 | 0.93 |
| Processing charges | 9.74 | 8.80 |
| Bank charges | 0.16 | 0.22 |
| Misc. expenses | 26.92 | 21.21 |
| Rent | 0.06 | 0.03 |
| Rates & Taxes | 0.39 | 0.33 |
| Insurance | 2.97 | 3.23 |
| Sales/Service/Goods & Service Tax | 0.81 | 0.82 |
| Carriage Inward | 4.49 | 4.94 |
| GST Paid | 166.99 | 175.29 |
| | 1,060.93 | 1,044.22 |

61 The Board of Directors have approved interim dividend of Rs.7/- per equity share of Rs.10/- each for the financial year during meeting of the Board of Directors held on 3rd March.2020. Accordingly, during the quarter, the Company has paid an amount of Rs.481.62 Lakhs (including dividend distribution tax Rs.82.12 lakhs) on account of interim dividend.

62 Disclosure pursuant to section 186(4) of Companies Act, 2013 :

| Nature of Facility granted | To whom/in whose favour granted | Paid during the year | Amount outstanding at year end | Purpose | Interest |
|-----------------------------------|--|-----------------------------|---------------------------------------|------------------------------------|-----------------|
| Loan payable on demand | Satyam Financial Services Ltd | Nil | 1300.00 | Need based working capital support | 11.00% |

63 The outbreak of COVID-19 and consequent imposition of national lockdown by the Government of India to deter its impact seriously affected the economic activities and operational performance of the company.

The management has considered the possible effect that may arise from the pandemic on the recoverability / carrying value of assets.

Based on the current indicators of future economic conditions, the company management expects to recover the carrying amounts of the assets. However, as the trend suggests future economic conditions may be subject to material changes in days ahead.

Given the uncertainty, the final impact on company's assets in future may differ from that estimated at the date of closing of financial statement of the company.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
(Rs. in Lakhs)
64. A. Revenue from sale of major product in terms of type of sale / customer and based on primary geographical market:

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019* |
|---|--|---|
| Type of Goods & Services | | |
| Tablet | 5,050.81 | 4,662.80 |
| Capsule | 3,478.45 | 3,623.15 |
| Large Volume Parenteral | 8,343.12 | 8,672.91 |
| Small Volume Parenteral | 5,729.48 | 5,441.01 |
| Ointment | 2,022.53 | 1,942.53 |
| Syrup | 6,758.26 | 6,426.62 |
| Others | 589.63 | 719.29 |
| Total | 31,972.28 | 31,488.31 |
| Geographical Region | | |
| India | 30,205.96 | 28,990.49 |
| Overseas | 1,766.32 | 2,497.82 |
| | 31,972.28 | 31,488.31 |
| Type of Sales | | |
| Manufactured | 24,079.22 | 24,175.51 |
| Traded | 7,893.06 | 7,312.80 |
| | 31,972.28 | 31,488.31 |
| Type of customers | | |
| Government | 2909.40 | 2720.22 |
| Non-government | 29,062.88 | 28,768.09 |
| | 31,972.28 | 31,488.31 |
| B. Reconciliation of Revenue from Sale with contract price | | |
| Contract Price (Net of Return) | 33,610.34 | 33,131.89 |
| Less: Provision for Breakage and Expiry | (32.22) | 33.32 |
| Rebates & Discounts | 1,670.28 | 1,610.26 |
| Revenue from Sale | 31,972.28 | 31,488.31 |

*Includes Revenue from Discontinued Operations Rs.30.95 Lakhs.

65 The Company is only engaged in manufacturing of pharmaceutical products ipso-facto one reportable segment being "Operating Segments" under Ind AS 108.

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 Biswanath Chattapadhyay Partner Membership No: 051800 | S C SHAH V. P. (Finance) & C.F.O. | A K KOTHARI Executive Chairman DIN : 00051900 T S PARMAR Managing Director & CEO DIN : 05118311 |
| Place: Kolkata Date: 29th June, 2020 | I DHAR Associate V. P. (Accts. & Tax.) cum Company Secretary (ACS - 9054) | |

TEN YEAR FINANCIAL HIGHLIGHTS

(Rs In Lacs)

| | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|-------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 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) | 21709.07 | 20473.85 | 18023.94 | 17730.58 | 13112.11 | 8711.49 | 8463.47 | 7540.01 | 6984.61 | 6520.25 |
| NET WORTH | 22279.79 | 21044.57 | 18594.66 | 18301.30 | 13682.83 | 9282.21 | 9034.19 | 8110.73 | 7555.33 | 7090.97 |
| FIXED ASSETS (NET) | 9251.76 | 8214.38 | 8808.92 | 9542.81 | 4945.18 | 5451.56 | 7005.67 | 7326.22 | 7545.90 | 7192.15 |
| NON CURRENT INVESTMENTS | 2416.90 | 2142.95 | 1890.41 | 1674.57 | 1650.10 | 1650.10 | 1650.10 | 0.02 | 0.02 | 0.02 |
| NET CURRENT ASSETS | 11992.02 | 11716.86 | 8273.43 | 7588.85 | 7617.85 | 3311.68 | 2605.72 | 2821.58 | 1241.13 | 5002.18 |
| TOTAL CAPITAL EMPLOYED | 23923.80 | 22622.36 | 20041.29 | 19647.22 | 14839.89 | 10949.54 | 11604.86 | 10433.89 | 11613.20 | 9594.77 |
| SALES (NET) | 31843.20 | 31301.36 | 29006.22 | 31240.86 | 32046.40 | 31968.20 | 28895.42 | 26158.18 | 22817.47 | 21748.50 |
| EBITDA (OPERATING PROFIT) | 3742.51 | 5049.53 | 2516.47 | 3400.02 | 3302.07 | 3837.97 | 3310.48 | 2736.25 | 2445.28 | 2918.18 |
| FINANCE COST | 79.60 | 61.74 | 86.48 | 78.88 | 181.09 | 269.62 | 358.69 | 324.26 | 343.86 | 281.06 |
| EBTDA (GROSS PROFIT) | 3662.91 | 4987.79 | 2429.99 | 3321.14 | 3120.98 | 3568.35 | 2951.79 | 2411.99 | 2101.42 | 2637.12 |
| DEPRECIATION | 767.47 | 701.82 | 836.99 | 766.65 | 899.87 | 1541.46 | 1105.73 | 1073.47 | 977.57 | 996.41 |
| INCOME FROM EXCEPTIONAL ITEMS | 0.00 | 0.00 | 0.00 | 0.00 | 4080.75 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| PBT (PROFIT BEFORE TAX) | 2895.44 | 4285.97 | 1593.00 | 2554.49 | 6301.86* | 2026.89 | 1846.06 | 1338.52 | 1123.85 | 1640.71 |
| TAX | 978.58 | 1621.98 | 608.92 | 958.98 | 1502.27 | 656.86 | 588.74 | 482.65 | 361.01 | 556.13 |
| PAT (PROFIT AFTER TAX) | 1916.86 | 2663.99 | 984.08 | 1595.51 | 4799.59* | 1370.03 | 1257.32 | 855.87 | 762.84 | 1084.58 |
| DIVIDEND % | 70 | 60 | 55 | 55 | 55 | 55 | 50 | 45 | 45 | 45 |
| EPS (EARNINGS PER EQUITY SHARE(RS)) | 33.59 | 46.68 | 17.24 | 27.96 | 84.10 | 24.01 | 22.03 | 15.00 | 13.37 | 19.00 |
| DEBT EQUITY RATIO | 0.02 | 0.02 | 0.03 | 0.03 | 0.03 | 0.13 | 0.15 | 0.14 | 0.12 | 0.21 |
| RETURN ON CAPITAL EMPLOYED | 14.49% | 22.56% | 8.65% | 13.67% | 38.45% | 17.19% | 15.08% | 12.40% | 9.42% | 14.37% |
| RETURN ON NET WORTH | 10.15% | 15.09% | 6.47% | 10.70% | 35.08% | 14.76% | 13.92% | 10.55% | 10.09% | 15.30% |
| BOOK VALUE PER EQUITY SHARE (RS) | 330.96 | 309.31 | 266.39 | 261.25 | 239.75 | 162.64 | 158.3 | 142.12 | 132.38 | 124.25 |

FIGURES FOR 2019-20 , 2018-19, 2017-18 AND 2016-17 ARE AS PER REVISED SCHEDULE III UNDER INDIAN ACCOUNTING STANDARD (IND AS) OF COMPANIES ACT, 2013.

FIGURES FOR 2015-16, 2014-15 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)

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INJECTION

PLACENTREX[®]
GEL

PLACENTREX[®]
Cream

ALAMIN-M FORTE
CAPSULE

ALAMIN SN
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ALAMIN
Liquid

Alamin R | Alamin RX

EVICT
Solution

EVICTXF

Derek L
Capsule

Derek D
Capsule

Derek 20
Tablet

ADLIV
Forte Capsule / Syrup / Drop

FBX 40 / 80
Tablet

SIOTONE
Capsule

Sioneuron-M
Injection / Capsule

Sioneuron-PG
Capsule

DHUP
Tablet / Drop

Anaflam
XP / XPS Tablet

Anaflam
TH4 / TH8 Tablet

inbalance-Z
Sachet

OPEN-UP[®] 150
Tablet

OPEN-UP[®] 300
Tablet

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MARKETING & SALES / REGIONAL OFFICES

MUMBAI

Albert David Limited

Marketing & Sales Office

402, B Wing, Ackruti Trade Centre,
MIDC, Andheri - East,
Mumbai - 400093 (Maharashtra)
Phone: (022) 4924 0463 / 64
Email: mumbai@adlindia.in

KOLKATA

Albert David Limited

21, Gopal Chandra Bose Lane,
Kolkata - 700050 (W.B.)
Phone: (033) 2556 9799/
2557 4471/ 2532 8737
Fax: (033) 2557 4471
Email: kolkata@adlindia.in

DELHI

Albert David Limited

4/11, Asaf Ali Road,
New Delhi - 110002.
Phone: (011) 2327 0220/
2327 0261
Email: delhi@adlindia.in

LUCKNOW

Albert David Limited

P-7/2, Transport Nagar,
Kanpur Road,
Lucknow - 226008 (U.P.)
Phone: (0522) 423 4001/2/3
Email: lucknow@adlindia.in

PATNA

Albert David Limited

2nd floor at Block 'B', Shazia Complex,
New Bye Pass Road, Beur More,
Post - Anisabad, Patna - 800002 (Bihar)
Phone: (0612) 2251828/13/88
9693290474
Email: patna@adlindia.in

BHOPAL

Albert David Limited

E-7/852, Arera Colony,
Near 12 No. Stop,
Bhopal - 462016 (M.P.)
Phone: (0755) 4273796 / 2421121
Email: bhopal@adlindia.in

MANUFACTURING UNITS

KOLKATA

Albert David Limited

5/11, D. Gupta Lane,
Kolkata - 700050 (W.B.)
Phone: (033) 2557 1131/1231/1281
Fax: (033) 2557 1181
Email: adfact@adlindia.in

GHAZIABAD

Albert David Limited

B-12/13, Meerut Road, Industrial Area,
Ghaziabad - 201003 (U.P.)
Phone: (0120) 4197900 (30 lines)
Fax: (0120) 4197950
Email: adlgzb@adlindia.in

REGISTERED OFFICE

ALBERT DAVID LIMITED

'D' Block, 3rd Floor, Gillander House, Netaji Subhas Road, Kolkata - 700001 (W.B.)
Phone: (033) 2262 8436 / 8456 / 8492/ 2230 2330, Fax : (033) 2262 8439
Email: adidavid@dataone.in; Website: www.albertdavidindia.com



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