



# **ALBERT DAVID LIMITED** **ANNUAL REPORT** 2017-2018



**Adds life to life**





## VISION

To become a globally respected Pharmaceutical entity and create value for our Stake holders and Employees



## MISSION

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

<b>DIRECTORS</b>	:	Mr. A. K. Kothari <i>Executive Chairman</i> Mr. T. S. Parmar <i>Managing Director &amp; CEO (From 1st April, 2018)</i> Smt. P. D. Kothari Mr. H. Kampani Mr. R. Singhi Dr. A. K. Bhattacharya Mr. A. Sarkar Dr. K. Lahiri <i>(Upto 12th October, 2017)</i> Mr. H. P. Kabra <i>Executive Director (Upto 31st March, 2018)</i>
<b>MANAGEMENT TEAM</b>	:	Mr. Manish Sharma <i>President (Sales &amp; Marketing)</i> Dr. D. P. Ghosh <i>Corporate Head - Technical &amp; Scientific Development</i> Mr. S. C. Shah <i>Vice President (Finance) &amp; C.F.O.</i> Mr. A. J. Chattopadhyay <i>Sr. General Manager - HR</i> Mr. P. K. Jain <i>Vice President (Works), Kolkata</i> Dr. G. P. Srivastava <i>Vice President (Technical), Kolkata</i> Mr. M. K. Rathi <i>Vice President (Works cum Factory Manager), Ghaziabad</i> Mr. D. Chitlangia <i>Associate Vice President (Commercial), Ghaziabad</i> Mr. V. K. Chaudhary <i>General Manager (Technical), Mandideep</i>
<b>COMPANY SECRETARY</b>	:	Dr. Indrajit Dhar <i>Associate Vice President (Accounts &amp; Taxation)-Cum-Company Secretary</i>
<b>AUDITORS</b>	:	Basu Chanchani & Deb Chartered Accountants
<b>BANKER</b>	:	State Bank of India
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	:	Maheshwari Datamatics Pvt. Ltd. 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700 001 Tel: 033 2248 2248 / 2243 5029, Fax: 033 2248 4787, Email: mdpldc@yahoo.com
<b>REGISTERED OFFICE</b>	:	ALBERT DAVID LIMITED (CIN : L51109WB1938PLC009490) D - Block, 3rd Floor, Gillander House, Netaji Subhas Road, Kolkata - 700001 Tel : 033 2230 2330 / 2262 8436/8456/8492, Fax : 033 2262 8439 Email : adidavid@dataone.in, Website : www.albertdavidindia.com
<b>WORKS</b>	:	5/11, D. Gupta Lane Kolkata - 700 050 (W.B.)  B-12/13, Meerut Road, Industrial Area Ghaziabad - 201 003 (U.P.)  Plot No. 207 New Industrial Area No. 2 Mandideep - 462 046, Dist. Raisen (M.P.)

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## Chairman's Message

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

### The Year Gone By

The Indian economy is undergoing a planned transformation over the past few years. In the last two years we have witnessed two major initiatives by the Government of India – demonetization and introduction of GST, the largest indirect tax reform in India since Independence. Both these landmark reforms are expected to be major game changers in the mid to long term. After the initial hiccups, the Indian economy showed positive signs of growth towards the latter quarters ending with a handsome above 7% GDP growth at the year end. We also saw a revival of major global economies in 2017.

Like the other industries, the Indian Pharma industry too was temporarily negatively impacted by the GST transition, with the maximum impact in the 'April-June' quarter. Albert David Limited too experienced this hit but we have bounced back strongly in the subsequent quarters.

### Structural Change

Mr. H P Kabra, Head Exports and Commercial, and Executive Director has retired in end March 2018, after an extended superannuation, after 44 years of long service at Albert David Limited. We appreciate his valuable services and contribution.

Mr. Tarminder Singh Parmar, CEO of Albert David Limited, has been inducted as a full time Director on the Board of the Company from 1st April 2018 and re-designated as Managing Director & CEO subject to your approval in the ensuing Annual General Meeting.

### Dividend

Confident of the strategic changes being taken and the positive future outlook, the Albert David Limited Board has proposed a dividend of Rs. 5.50/- per equity share of Rs.10/- each.

### Future Outlook

The Global as well as Indian economy is bouncing back. The impact of the key changes recently taken in the Indian Pharma Market too seems to be stabilizing. We, at Albert David Limited, are re-aligning ourselves to the changed market scenario. I, thus, am confident that Albert David Limited will show renewed growth in the coming years.

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

**A K Kothari**

Executive Chairman



## Managing Director & CEO's Message

*Dear Shareholders,*

It gives me great pleasure to address you after a full year with Albert David Limited.

### **The Market Scenario**

As anticipated, the year 2017-18 continued to be a challenging year for us in the Indian Economy. While there was a notable rebound in the global economy, as per IMF and other agencies, the Indian economy had to face the double, back to back impact of demonetization (in 2016-17) and GST roll-out (in 2017-18). Both these initiatives are expected to generate greater positivity in the system in the long term, but the transition had temporarily, adversely impacted the otherwise stable Indian Pharma Market. The primary impact was felt in the 'April-June' quarter. There was a significant 'inventory balancing' at the various trade tiers in 'April-June' that seriously impacted most pharma companies and we too were majorly affected. This was followed by a post GST settling in period in the 'July-Sept' quarter. During this period our trade partners, and even we ourselves, were getting used to the new GST system and stabilizing our IT and related operations accordingly. Expanding list of NLEM (National List of Essential Medicines) products and DPCO/NPPA impacted products, increasing 'Generics' competition etc. were few of the additional challenges in 2017-18.

### **Our Current Status**

We, as a company, proactively took many initiatives to address the changing business environment. This helped us to quickly stabilize our post GST operations in Quarter-2 and then move on in Quarter-3 & Quarter-4 of 2017-18.

We also took many strategic initiatives in 2017-18, derived from our in-depth pan Corporate / pan Function review, and aligned to our future strategic and growth plans. A few of our key initiatives taken are as follows:

- i. Introduction of a new ERP system in Albert David Ltd. – This GST/Ind AS compliant ERP system development and implementation was done successfully in a record time
- ii. Strengthened the SOPs, across functions, to support sustained and robust growth
- iii. Streamlined the 'exports' operations and re-christened it as EMB (Emerging Markets Business)
- iv. Decided to focus on our core, profitable business – we thus took a strategic decision on our Mandideep operations and other unsustainable business operations.

### **The Way Forward**

The Indian economy has recently become the sixth largest economy in the world, growing at an encouraging +7% growth. The IPM (Indian Pharma Market) too is expected to grow from \$30bn currently to \$55bn by 2020, thus elevating us to the sixth position (by value) even in the global pharma market.

On the domestic front we expect fresh changes due to the announcement of NHPS (National Health Protection

Scheme) and Jan Aushadhi schemes by the Government of India, besides the other market and competition related development.

We are tracking these changes and are preparing ourselves for the same. Few of the key areas / initiatives we are working on are:

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

I, on behalf of Albert David Limited, can re-assure you that we are updating & upgrading ourselves 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 your continued faith and support.

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

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

## Notice

### TO THE MEMBERS

**NOTICE** is hereby given that the SEVENTY-NINTH Annual General Meeting of the Shareholders of the Company will be held at **Science City, Mini Auditorium, J B S Haldane Avenue, Kolkata - 700046 on Monday, the 3rd September, 2018 at 10:30 a.m.** to transact the following business:

### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2018 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mrs. Prabhawati Devi Kothari (DIN: 00051860), who retires by rotation, and, being eligible, offers herself for re-appointment.

### AS SPECIAL BUSINESS

4. **To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:**

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule-V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and subject to applicable clauses of the Articles of Association of the Company and other approvals, if any, and pursuant to recommendation of the Nomination and Remuneration Committee and the Board, consent of members of the Company be and is hereby accorded to the re-appointment of Mr. Arun Kumar Kothari (DIN:00051900) as Wholtime Director designated as Executive Chairman of the Company, for a period of three years from 1st April, 2018 to 31st March, 2021 on the terms and conditions and payment of remuneration, perquisites and benefits set out in the Explanatory Statement attached to this Notice and contained in the Agreement dated 13th April, 2018 entered into by and between the Company and Mr. Arun Kumar Kothari which agreement be and is also hereby approved.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall deemed to include any committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby empowered to alter and vary the terms and conditions of re-appointment including increasing the remuneration of Mr. Arun Kumar Kothari as set out in the Explanatory Statement during the tenure, i.e. from 1st April, 2018 to 31st March, 2021, within the limits prescribed under Section II of Part-II of Schedule-V of the Companies Act, 2013.

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



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

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Articles of Association of the Company and on recommendation of the Nomination and Remuneration Committee, Mr. Tarminder Singh Parmar (DIN: 05118311), appointed by the Board as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company with effect from 1st April, 2018 and who holds office up to the date of this Annual General Meeting, and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation."

6. **To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:**

**"RESOLVED THAT** pursuant to provisions of Section 196, 197, 198 and 203 read with Schedule-V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other sanction and approvals as may be necessary and pursuant to recommendation of the Nomination and Remuneration Committee and the Board, consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Tarminder Singh Parmar (DIN: 05118311) as Managing Director & CEO of the Company, for a period of five years from 1st April, 2018 to 31st March, 2023 not liable to retire by rotation on the terms and conditions and payment of remuneration, perquisites and benefits as set out in the Explanatory Statement attached to this Notice and contained in the Agreement dated 13th April, 2018 entered into by and between the Company and Mr. Tarminder Singh Parmar which agreement be and is also hereby approved.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby empowered to alter and vary the terms and conditions of appointment including increasing the remuneration of Mr. Tarminder Singh Parmar as set out in the Explanatory Statement during the tenure, i.e. from 1st April, 2018 to 31st March, 2023 and his remuneration shall not be subject to the ceilings provided under Companies Act, 2013 since Mr. T. S. Parmar is a professional within the meaning of Para (B) of Section-II of Part-II of Schedule -V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

**7. To consider and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolutions:**

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. S. Gupta & Co., Cost & Management Accountants, Kolkata (Firm Registration No. 000020), Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

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

Registered Office:  
D - Block, 3rd Floor,  
Gillander House,  
Netaji Subhas Road,  
Kolkata - 700 001  
CIN: L51109WB1938PLC009490  
Dated: 29th May, 2018

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

**INDRAJIT DHAR**  
Associate Vice President (Accounts & Taxation)  
Cum-Company Secretary  
(ACS - 9054)

**NOTES :**

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in relation to the Special Business is annexed hereto and forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. MEMBERS / PROXIES / AUTHORISED REPRESENTATIVES SHOULD BRING THE DULY FILLED ATTENDANCE SLIP TO ATTEND THE MEETING. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.  
  
A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.  
  
A MEMBER HOLDING MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Proxies shall be made available for inspection during twenty four hours before the time fixed for commencement of the meeting and ending with conclusion of the meeting.
4. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 28th August, 2018 to Monday, 3rd September, 2018, both days inclusive, for the purpose of AGM and payment of dividend.
5. Dividend, if declared, would be paid within thirty days from the date of declaration to Members whose names appear as beneficial owners with depositories or in the Register of Members as on Monday, 27th August, 2018.  
  
Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Share Transfer Agents, Maheshwari Datamatics Pvt. Ltd., cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants of the members. Further, in case the shares are held in physical mode, members are requested to furnish Bank account particulars (viz. Account No., Name and Branch of the Bank, IFSC Code and MICR Code) to the RTA to ensure that there is no fraudulent encashment of the warrants.