



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)

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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: