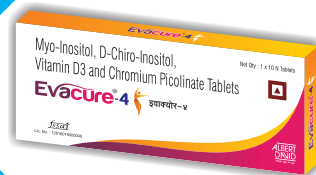


ALBERT DAVID LIMITED

ANNUAL REPORT

2021-2022



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
Mr. A. V. Kothari (w.e.f. 11.05.2022)
- MANAGEMENT TEAM :** Mr. A. J. Chattopadhyay
Corporate Head – HR
Mr. R. Bhattacharya
Chief Financial Officer
Mr. Anirban Ghosh
Head (Sales & Marketing) – ADL Div.-I
Mr. Ashis A. Majumdar
Head (Sales & Marketing) – ADL Div.- II
Mr. H. T. Nazare
Plant Head, Ghaziabad
Mr. S. Bhattacharya
Plant Head, Kolkata
- COMPANY SECRETARY :** Mr. Chirag A. Vora
- 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.)

Contents

	Page No.
Chairman's Message	1
MD & CEO's Message	2
Notice	4
Directors' Report	21
Management Discussion and Analysis	46
Report on Corporate Governance	49
Business Responsibility Report	70
Auditor's Report to the Shareholders	77
Balance Sheet	88
Statement of Profit and Loss	89
Cash Flow Statement	90
Statement of Change in Equity	92
Notes forming Part of the Financial Statements	93
Ten Years Financial Highlights	145



Chairman's Message

Albert David Limited is a trusted Pharmaceutical Company with over 8 decades of successful operations. It 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 Covid-19 pandemic that started globally in 2019 went full blown on India with the second wave dealing severe blow to life, liberty & livelihood over the last financial year. It left the economy in setbacks, and industries, in unprecedented uncertainties. I wish that you and your family members remain healthy and safe.

Economic trajectory of the past couple of years was dotted with transitional disruptions from policy/regulatory changes, followed by crippling Covid-19 outbreak. The Indian Pharma industry continued facing newer challenges, from announcement of demonetization (2016-17), implementation of GST (2017-18); economic slowdown (2018-19 onwards), initial outbreak of COVID-19 (2019-20) followed by its more severe second wave (2020-21) which engulfed all other national priorities, massive disruptions in supply chains; and nonetheless the current geo-political scenario which has ramifications that defy geographical boundaries. Despite the aforesaid, the Govt's prudent monetary, fiscal and policy interventions helped keep India Inc. afloat, amidst the turmoil.

However, with cautious optimism, we do believe that 2021-22 is a year of silver lining, the beginning of recovery, of opportunities, of prospects, & of better times. Notably, your company's performance during the year surpassed that of industry in general.

Structural Changes

Your Company, under dynamic leadership of Dr. T. S. Parmar, MD & CEO, the Functional Leadership Teams, all ADL Colleagues, and the enlightened Board of Directors, has been consistent in taking multi-dimensional measures to expand as a leaner, agile & efficient organization. Our new initiatives will continue to shape the future prospects of your Company.

Your Company, having its presence solely in the 'acute' segment, has successfully registered 25%+ growth in sales over the previous year, honored all its commitments towards internal and external stakeholders and also grew the bottom-line through prudent cost management practices.

Dividend

In continuation of Albert David Limited steady dividend policy, performance during the year and outlook for the future, the Albert David Limited Board has proposed Dividend of Rs.9/- (90%) per equity share of Rs.10/- each for the financial year ended on 31st March, 2022, vis-à-vis, Rs.6/- (60%) dividend paid in the previous year.

Future Outlook

The outlook for the Indian pharma industry and the ~Rs.1.69 trillion+ IPM is mixed with limitations as well as opportunities, depending inter-alia on organizational positioning, market dynamics, PLIs, regulatory & policy environment, and geopolitical factors affecting export demand.

Whilst the size of the IPM and India's comparative advantage in the global pharma arena extrapolate 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 fifth year of association with Albert David Limited.

The year gone by continued to be a tough one given the remnants of the second wave of the Covid pandemic, which not only led to human casualties, but also had war-like impact on economy/industry at global and national level.

I sincerely hope you all remain healthy and safe, and do express my solidarity to those affected adversely by the pandemic. 'Albert David' congratulates all frontline warriors including all medical professionals, pharma manufacturers/distributors/retailers, police, and Govt. agencies etc. for their exemplary efforts. 'Albert David' is doing its bit by ensuring that essential medicines are available regularly across the country. My special compliments to the entire ADL team for their special efforts in these challenging times.

The Market Scenario

For decades, a defining feature of the world economy has been its ability to churn out innovative & useful goods at ever affordable prices. Transnational labour mobility, falling trade barriers and hyper-efficient logistics, produced positive results. But the last couple of years have brought an escalating series of disruptions including lockdowns, sanctions and export controls upending the supply of commodities and goods. Thus, the ties that bind the global economy together, and deliver goods in abundance across the world are unraveling at a frightening pace. Russia's invasion of Ukraine and China's Covid Zero lockdowns are disrupting supply chains, hammering growth and pushing inflation to forty-year highs with an estimated adverse impact of \$1.6 trillion on forecasted global GDP in 2022.

Going by the International Monetary Fund's World Economic Outlook (April, 2022), the war in Ukraine has triggered a costly humanitarian crisis, and economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries the hardest. Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

The FY 2022 was marked by impact of the second wave of the pandemic during the first half and waning out of the same during the second half, with hopes of economic rebound sprouting amid high inflationary-cum-recessionary pressures.

The Indian pharma industry continues to be quickly adaptive to the emerging 'new normal' and it performed satisfactorily during the year. During the first half of the year, organizations strived to keep essential activities going, though, R&D, ANDA etc. and Marketing suffered due to restrictions. As operational normalcy came back during later part of the year, postponement of non-emergency clinic visits, elective surgeries etc., reduced OPDs and social distancing norms restrained campaign/promotional activities which form the backbone of the industry in general and pharma in particular.

Despite the aforesaid, 'Pharma' being a comparatively inelastic demand industry, continues to be one of the safest and most resilient industries playing its crucial role of enabling supply of key medicines across the globe.

Our Current Status

At 'Albert David', "Adds life to life", a simple yet profound theme, continues to define our efforts reflecting our mindset, aspiration and vision. We, as a Company, continued to take initiatives to adapt to the changing business environment and re-calibrate the Company in line with emerging operational environment. During the FY 2021-22, we have successfully achieved net sales and net profit of Rs.312.43 Cr. & Rs.35.26 Cr. against Rs.246.31 Cr. & Rs. 22.14 Cr. respectively during the previous year.

As part of new initiatives of the Company during the year, we have launched two high potential products branded as "Evacure" and "C3H". Additionally, our flagship "Placentrex" range has joined the league of co-marketed products for expanded market reach and revenue generation.

The Company believes that the quality of its employees is the key to organizational success, and thus, is committed to extend necessary support for realization of their full potential.

During the year 2021-22, we focused on recovering the lost grounds as duly reflected in the year's financials.

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

- (i) Ongoing review / alignment of our strategic plan(s) for prompt identification & tapping of available market potential, de-risking of performance & calibrating the Product Marketing vertical to given circumstances;
- (ii) Proactive review of operational efficiency & resource optimization with focus on rationalization of overheads / costs in line with industry best practices;
- (iii) Improving engagement with doctors, patients, employees and other stake holders both physically and through digital connect / virtual channels;
- (iv) Consequential organizational restructuring in realizing the evolving organizational plan;

The Way Forward

India's exalted position as 'Pharmacy to the world' continues to hold strong, amid disruptions and challenges driven by the pandemic or otherwise. The domestic pharma market is currently valued at ~Rs.1.69 trillion+ and according to IQVIA, the global pharma market is expected to grow at 3–6% CAGR through 2025, reaching about USD 1.6 trillion in 2025, excluding Covid-19 vaccine spending.

The GOI's policy stance to promote indigenization of API / KSMs / Drug Intermediary production, Production Linked Incentives (PLI) etc., health care reforms and economic stimulus package announced in the wake of corona outbreak, coupled with proper implementation of existing Ayushman Bharat Scheme, Jan Aushadhi Scheme, National Health Protection Scheme etc. and push towards genericisation of pharma / stand against blind patent protection, will surely provide the needed thrust to propel India's domestic pharma industry to newer heights.

Hoping for this promising outlook for the pharma industry, your company will continue to explore new initiatives to enhance its presence in the coming years – organically, as well as inorganically, both in the domestic as well, as in the international market.

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..

Dr. 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 Third Annual General Meeting ("AGM") of the Members of Albert David Limited ("the Company") will be held on **Tuesday, 9th August, 2022 at 11.00 a.m.** Indian 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, 2022 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend.
3. 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.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and based on the recommendation of Audit Committee and Board of Directors of the Company, M/s. L. B. Jha & Company, Chartered Accountants (ICAI Firm Registration No. 301088E), be and is hereby appointed as the Statutory Auditors of the Company, in place of the retiring Statutory Auditors, M/s. Basu Chanchani & Deb, Chartered Accountants (ICAI Firm Registration No. 304049E), to hold office for a term of five consecutive years from the conclusion of Eighty Third Annual General Meeting till the conclusion of Eighty Eighth Annual General Meeting of the Company to be held in the year 2027, on such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time plus applicable taxes and reimbursement of out of pocket expenses incurred by them for the purpose of audit;

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, things, deeds and matters which are connected therewith or incidental thereto and take all necessary steps, as may be necessary, proper or expedient, to give effect to this resolution."

AS SPECIAL BUSINESS

5. To approve the remuneration of the Cost Auditors for the financial year ending on 31st March, 2023 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 on 31st March, 2023, 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, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **To approve the appointment of Mr. Anand Vardhan Kothari (DIN: 02572346) as Non-Executive Non-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 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with applicable rules made there under, (including any statutory amendment(s), modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force), the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, and relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Regulations” or “Listing Regulations”), as amended from time to time, articles of association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, Mr. Anand Vardhan Kothari (DIN: 02572346), who was appointed as an Additional Director and is eligible for appointment holds office upto the date of this Annual General Meeting (‘AGM’) and who and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Non-Executive Non Independent Director of the Company with effect from May 11, 2022, liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. **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, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“the Rules”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V to the Act, and relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Regulations” or “Listing Regulations”), as amended from time to time, 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, 2022 to 31st March, 2023 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.”

8. **To approve the revision in remuneration of 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 provisions of section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“the Rules”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V to the Act, and relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Regulations” or “Listing Regulations”), as amended from time to time, 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, 2022 to 31st March, 2023 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 approval(s) – 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: 5th July, 2022

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

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

NOTES

1. 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.
2. In view of continuing social distancing norms due to Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its MCA Circular No. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 19/2021 dated 8th December, 2021, 21/2021 dated 14th December, 2021 and the latest being 02/2022 dated 5th May, 2022 (collectively referred to as “MCA Circulars”) and the Securities and Exchange Board of India (“SEBI”) vide Circular No. SEBI/HO/CFD/CMD2/CIRP/P/2022/62 dated 13th May, 2022 and any other circulars issued in this regards, have allowed the companies to conduct Annual General Meeting (“the Meeting”) through Video Conferencing / Other Audio Visual Means (“VC”/“OAVM”), till 31st December, 2022 without physical presence of Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the “Act”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), MCA Circulars and SEBI Circular, the Meeting of the Company is being held through VC / OAVM. The deemed venue for AGM shall be the Registered Office of the Company.
3. The Members can join the Meeting through VC/OAVM mode 15 minutes before and after the scheduled time of 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.
4. Members attending the Meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. 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 physical attendance of the Members in any case has been dispensed with, the facility for appointment of proxies by the Members will not be available for the said Meeting and hence Proxy Form and Attendance Slip is not annexed to this Notice.
5. 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.
6. 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 (in PDF/JPG format), authorizing its representative to attend and vote on their behalf at the Meeting. The said Resolution/Authorization should be sent to the Company Secretary by email at the designated email address cvora@adlindia.in with a copy marked to helpdesk.evoting@cdslindia.com and the RTA at mdpldc@yahoo.com.
7. In compliance with the aforesaid MCA Circulars and SEBI Circular, the Notice of AGM and the Annual Report of the Company for the Financial Year 2021-2022 are being sent only through electronic mode to the Members whose email addresses are registered with the RTA or the Depository Participant(s). Physical copy of the Notice of the