

**ALBERT DAVID LIMITED**  
**ANNUAL REPORT**  
2015 - 2016



<b>DIRECTORS</b>	:	Sri A. K. Kothari <i>Chairman &amp; Managing Director</i> Smt. P. D. Kothari Sri H. Kampani Sri R. Singhi Dr. A. K. Bhattacharya Dr. K. Lahiri Sri A. Sarkar Sri K. P. Mundhra <i>Executive Director (Upto 30th June 2016)</i> Sri H. P. Kabra <i>Executive Director (From 1st July 2016)</i>
<b>MANAGEMENT TEAM</b>	:	Sri Manish Sharma <i>President (Marketing &amp; Sales)</i> Sri S. C. Shah <i>Vice President (Finance) &amp; C.F.O.</i> Dr. M. K. Maheshwari <i>Vice President (Personnel &amp; Legal Affairs)</i> Dr. D. P. Ghosh <i>Corporate Head - Technical &amp; Scientific Development</i> Sri P. K. Jain <i>Vice President (Works), Kolkata</i> Dr. G. P. Srivastava <i>Vice President (Technical), Kolkata</i> Sri M. K. Rath <i>Vice President (Works cum Factory Manager), Ghaziabad</i> Sri D. Chitlangia <i>Associate Vice President (Commercial), Ghaziabad</i> Sri 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>	:	G. Basu & Co. Chartered Accountants
<b>BANKER</b>	:	State Bank of India
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	:	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata-700 001
<b>REGISTERED OFFICE</b>	:	ALBERT DAVID LIMITED (CIN : L51109WB1938PLC009490) 15, Chittaranjan Avenue, Kolkata - 700072 Tel : 033-2212-9700, 9637, 9592, Fax : 033-2225-8714 Email : adidavid@dataone.in, Website : www.albertdavidindia.com
<b>WORKS</b>	:	5/11, D. Gupta Lane Kolkata - 700 050 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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**ALBERT DAVID LIMITED**

(CIN : L51109WB1938PLC009490)

Registered Office : 15, Chittaranjan Avenue, Kolkata - 700072

Tel : 033-2212-9700, 9637, 9592, Fax : 033-2225-8714

Email : adidavid@dataone.in

Website : www.albertdavidindia.com

## Notice

### TO THE MEMBERS

**NOTICE** is hereby given that the SEVENTY-SEVENTH 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 **Wednesday, the 14<sup>th</sup> September, 2016 at 11.00 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, 2016 and the Report of the Board of Directors and the Auditors thereon.
2. To confirm the payment of interim dividend for the financial year 2015-2016.
3. To appoint a Director in place of Mrs. Prabhawati Devi Kothari (DIN : 00051860), who retires by rotation and being eligible, offer herself for re-appointment.
4. **To ratify the appointment of Statutory Auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof :**

**RESOLVED** that pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the AGM held on 7th August, 2014, the appointment of M/s. G. Basu & Co., Chartered Accountants (Registration No.301174E) as the Statutory Auditors of the Company to hold office till the conclusion of AGM to be held in the year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be recommended by the Audit Committee in consultation with the Auditors.

#### AS SPECIAL BUSINESS

5. **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 and 203 read with Schedule-V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and subject to such sanctions and approvals as may be necessary, the Company hereby approves and accords its consent to the re-appointment of Mr. Arun Kumar Kothari (DIN : 00051900), as Chairman & Managing Director of the Company, not liable to retire by rotation for a period of one year with effect from 1st April, 2016 to 31st March, 2017, on the terms and conditions including remuneration, perquisites and benefits as set out in the Explanatory Statement attached to this notice and contained in the Agreement dated 26th April, 2016 entered into by and between the Company and Mr. Arun Kumar Kothari which agreement be and is also hereby approved.

**RESOLVED FURTHER** that notwithstanding the above, in the event of any loss or inadequacy of profit in the financial year of the Company during the tenure of Mr. A. K. Kothari, Chairman & Managing Director, the remuneration payable to him shall be paid as minimum remuneration not exceeding the limits prescribed in Section-II, 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.

6. **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 196, 197 and 203 read with Schedule-V and other applicable provisions of the Companies Act, 2013 and subject to such sanctions and approvals as may be necessary, the Company hereby approves and accords its consent to the re-appointment of Mr. Kamal Prasad Mundhra, (DIN : 00649025), as Wholtime Director of the Company designated as Executive Director, not liable to retire by rotation for a period from 1st April, 2016 upto 30th June, 2016, on the terms and conditions including pro-rata remuneration, perquisites and benefits for the period from 1st April, 2016 to 30th June, 2016 as set out in the Explanatory Statement attached to this notice and contained in the Agreement dated 26th April, 2016 entered into by and between the Company and Mr. Kamal Prasad Mundhra which agreement be and is also hereby approved.

**RESOLVED FURTHER** that pursuant to Section 196(3)(a) of the Companies Act, 2013, approval of the Company be and is hereby accorded for the continuation of holding of office of Whole-time Director by Mr. K P Mundhra, who has attained the age of seventy years on 17th November, 2014, as a Whole-time Director, designated as Executive Director of the Company, upto 30th June, 2016.

**RESOLVED FURTHER** that notwithstanding the above, in the event of any loss or inadequacy of profit in the financial year of the Company during the tenure of Mr. K. P. Mundhra, Executive Director, the remuneration payable to him shall be paid as minimum remuneration not exceeding the limits prescribed in Part-II Section-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.

7. **AS AN ORDINARY RESOLUTION**

**To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution :**

**RESOLVED THAT** pursuant to the provisions of Section 149 and other applicable provisions 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), Mr. Hari Prasad Kabra (DIN: 00385240), appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company with effect from 1st July 2016 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 the candidature of Mr. Kabra for the office of Director, be and is hereby appointed as a Director of the Company.

8. **AS SPECIAL RESOLUTIONS**

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

**RESOLVED** that pursuant to provisions of section 196, 197 and 203 of the Companies Act, 2013 and subject to such sanction and approvals as may be necessary, the Company hereby approves the appointment of Mr. Hari Prasad Kabra (DIN 00385240) as Wholtime Director of the Company designated as Executive Director, for the period from 1st July, 2016 to 31st March, 2018 on the terms and conditions including remuneration, perquisites and benefits as set out in Explanatory Statement attached to this Notice and contained in the Agreement dated 1st July, 2016 entered into by and between the Company and Mr. Hari Prasad Kabra which agreement be and is also hereby approved.

**RESOLVED FURTHER** that in the event of any loss or inadequacy of profit in any financial year of the Company during the tenure of Mr. Hari Prasad Kabra, Executive Director, the remuneration payable to him shall be paid as minimum remuneration not exceeding the limits prescribed in Section-II, 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.

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

**RESOLVED** that pursuant to the provisions of Section 148(3) and all other applicable provisions 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), 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 March 31, 2017, 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 :  
15, Chittaranjan Avenue  
Kolkata - 700 072

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

CIN : L51109WB1938PLC009490  
Dated : 4th July, 2016

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

## NOTES :

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in relation to the Special Business is annexed hereto and forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. MEMBERS/PROXIES/ AUTHORISED REPRESENTATIVES SHOULD BRING THE DULY FILLED ATTENDANCE SLIP ENCLOSED HERewith TO ATTEND THE MEETING. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.  
A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
3. Pursuant to the provision of section 91 of the Companies Act, 2013, the Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday the 6th September, 2016 to Thursday the 8th September, 2016 both days inclusive, for the purpose of AGM.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the board resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members holding shares in physical form are requested to notify immediately changes, if any, in their registered address, bank details, mandate, nomination, power of attorney and email address, to Company's Registrar & Share Transfer Agent, at the below-mentioned address quoting their Folio Numbers :-

M/s. Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor, Kolkata - 700 001  
Tel. No. # (033) 2243-5809/2243-5029  
Fax No. # (033) 2248-4787  
E-Mail Id # mdpldc@yahoo.com

In case shares are held in electronic form, these information should be passed on directly to their respective Depository Participant (DP).

7. Pursuant to the provisions of Section 123 and 124 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends upto the year ended 31st March, 2008 to the account of Investor Education and Protection Fund established by the Central Government.

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 8th September, 2015 (date of last Annual General Meeting) on the website of the Company ([www.albertdavidindia.com](http://www.albertdavidindia.com)) as also on the Ministry of Corporate Affairs website.



Unclaimed dividend for the year ended 31st March, 2009 shall be transferred to the account of Central Government during the year. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2009, 31st March, 2010, 31st March 2011, 31st March, 2012, 31st March, 2013, 31st March, 2014, 31st March, 2015 and 31st March, 2016 (Interim Dividend) are requested to make their claims to the Company.

8. 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 electronic 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 to the Company/RTA for registration of transmission/transposition, deletion of name etc.

9. Voting through electronic means :

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 77th Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting through ballot/polling papers shall also be made available at the venue of the 77th AGM and the members attending the meeting who have not cast their votes by remote e-voting shall be able to vote at the meeting through ballot/polling paper.

The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Mr. K. C. Dhanuka, Practicing Company Secretary as the Scrutiniser for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

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

- (i) The voting period begins on Sunday the 11th September, 2016 at 10.00 am and ends on Tuesday the 13th September, 2016 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form as on the cut-off date i.e. Wednesday, 7th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 pm on 10th September, 2016.
- (ii) Members holding shares in physical or in demat form as on 7th September, 2016 shall only be eligible for e-voting.
- (iii) The shareholders should log on to the e-voting website, [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter 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](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below :

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>▢ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p>

	<b>For Members holding shares in Demat Form and Physical Form</b>
	<p>□ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format <b>OR</b>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>□ If both the details are not recorded with the depository or company, please enter the member id/folio no. in the Dividend Bank details field as mentioned in instruction (iii)</p>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Albert David Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After 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 resolution, you will not be allowed to modify your vote or cast the vote again.**
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) 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.



- (xx) **Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e., Wednesday the 7th September, 2016.**
  - (xxi) **A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Wednesday the 7th September, 2016 only, shall be entitled to avail the facility of remote e-voting/ballot paper.**
  - (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Member may also write to the Company Secretary at the email ID : [id@adlindia.in](mailto:id@adlindia.in)
10. The Notice of the 77th AGM and instructions for e-voting, alongwith the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s), unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
  11. Members may also note that the Notice of the 77th AGM and the Annual Report 2015-2016 will be available on the Company's website [www.albertdavidindia.com](http://www.albertdavidindia.com). The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [adidavid@dataone.in](mailto:adidavid@dataone.in)
  12. Additional information, pursuant to Regulation 36(3) of SEBI (LODR), 2015, in respect of the directors seeking appointment/re-appointment at the AGM is furnished as annexure to the Notice. The Directors have furnished consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
  13. As per the provisions of the Act, the facility for making/varying/cancelling nomination is available to individuals holding shares in the Company. Nominations can be made in **Form-SH.13** and any variation/cancellation thereof can be made by giving notice in **Form SH.14**, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the **Company's website [www.albertdavidindia.com](http://www.albertdavidindia.com), RTA or from the Website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in)**
  14. The Ministry of Corporate Affairs, Government of India has introduced a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies for service of documents to their members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013.  
  
In view of the above, the Company has communicated in the earlier year through Annual Report to its members requesting them to register their designated email ID with the Company/RTA. However, members who are desirous of obtaining physical copy of the Notices, Postal Ballots, Annual Reports and other documents may forward their written request to the Company/RTA for the same.
  15. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the company at least one week before the date of the meeting. This would enable the Company to compile the information and provide replies at the meeting.
  16. The shares of the Company are under compulsory demat list of the SEBI w.e.f. 1st October, 2000. The trading in equity shares can be only in demat form. In case you do not hold shares in demat form, you may do so by opening an account with depository participant and complete dematerialisation formalities.
  17. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the company on all working days, except Saturdays, during business hours up to the date of the Meeting.
  18. 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 under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No.5**

Mr. A K Kothari was re-appointed as Chairman & Managing Director of the Company for a period from 1st April, 2014 to 31st March, 2016 which was approved by the Shareholders in the meeting held on 7th August, 2014.

In view of excellent contribution made by Mr. Kothari towards the growth of the Company, the Board of Directors, at its meeting held on 28th March, 2016 have re-appointed him as the Chairman & Managing Director for a period of one year with effect from 1st April, 2016 to 31st March, 2017, subject to the approval of shareholders of the Company, on the remuneration as recommended by the Nomination & Remuneration Committee and on the terms and conditions as per Agreement dated 26th April, 2016 executed between the Company and Mr. A K Kothari. The terms of remuneration of Mr. A K Kothari are in accordance with Schedule V of the Companies Act, 2013.

An abstract of the remuneration payable to him as Chairman & Managing Director of the Company under the Agreement is given below :-

**REMUNERATION :**

- i) Salary : Rs.6,05,000/- (Rupees Six Lacs Five Thousand only) per month for the period from 1st April, 2016 to 31st March, 2017.
- ii) Perquisites : Apart from salary Mr. A K Kothari will also be entitled to the perquisites classified into the following three parts viz. Part A, B and C.

**PART-A**

- i) Housing — The Company shall provide rent-free furnished accommodation. In case no accommodation is provided by the Company, the Chairman & Managing Director shall be entitled to House Rent Allowance limited to 8% of his salary.
- ii) Medical Reimbursement and Leave Travel Concession : The Chairman & Managing Director shall be reimbursed to the extent of 10% of the salary towards expenses incurred for self and family for Medical Expenses and Leave Travel anywhere in India.
- iii) Fee of Clubs : Upto a maximum of two clubs. This will not include any admission or life membership fees.
- iv) Personal Accident Insurance/Life Insurance : Premium not exceeding Rs.25,000/- per annum.
- v) Ex-Gratia/Bonus : In accordance with the Rules of the Company.

**PART-B**

- i) Company's contribution to Provident Fund as per Rules of the Company.
- ii) Gratuity on retirement at the rate of half month's salary for each completed year of service subject to the ceiling as provided in law.
- iii) Leave with full pay : Encashment of leave will be permitted as per Rule of the Company.

**PART-C**

- i) Use of Car for Company's business. Any use of car for private purpose will be valued and charged as per Income Tax Rules, 1962.
- ii) Free telephone facility at residence.

In case of no profits or inadequate profits in the financial year, remuneration and perquisites shall be subject to overall limits as prescribed under Section-II of Part II of Schedule V of the Companies Act, 2013.

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

The agreement sets out the mutual rights and obligations of the Company and the Chairman & Managing Director and details of powers and duties of the later and can be terminated by either party by giving three month's notice in writing to the other.

A copy of the Agreement will be available for inspection by the Members at the Registered Office of the Company on any working day prior to the date of the meeting between 11.00 a.m. and 1.00 p.m. and will also be available at the meeting.

Other than Mr. A K Kothari and Smt. Prabhawati Devi Kothari, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the aforesaid re-appointment and remuneration.

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

#### **Item No.6**

Mr. K P Mundhra was re-appointed as Wholtime Director designated as Executive Director of the Company for a period of two years with effect from 1st April, 2014 to 31st March, 2016 which was approved by the Shareholders in the meeting held on 7th August, 2014.

In view of excellent contribution made by Mr. Mundhra towards the growth of the Company, the Board of Directors, at its meeting held on 28th March, 2016, had re-appointed him as the Wholtime Director designated as Executive Director of the Company from 1st April, 2016 to 31st March, 2017, subject to the approval of shareholders of the Company on the remuneration as recommended by the Nomination & Remuneration Committee and on the terms and conditions as per Agreement dated 26th April, 2016 executed between the Company and Mr. K P Mundhra. The terms of remuneration of Mr. K P Mundhra was in accordance with Schedule V of the Companies Act, 2013.

Mr. K P Mundhra, however resigned from the directorship of the Company with effect from 1st July, 2016. In view of his resignation, remuneration and perquisites payable to him for the period from 1st April, 2016 to 30th June, 2016 shall be on pro-rata basis of the annual remuneration fixed by the Board. Details of remuneration is given below :

#### **REMUNERATION :**

- i) Salary : Rs.6,00,000/- (Rupees Six Lacs only) per month for the period from 1st April, 2016 to 30th June, 2016.
- ii) Perquisites : Apart from salary Mr. K P Mundhra will also be entitled prorata perquisites for the period from 1st April, 2016 to 30th June, 2016 classified into the following three parts viz. Part A, B and C.

#### **PART-A**

- i) Housing — The Company shall provide rent-free furnished accommodation. In case no accommodation is provided by the Company, the Executive Director shall be entitled to House Rent Allowance limited to 8% of his salary.
- ii) Medical Reimbursement and Leave Travel Concession : The Executive Director shall be reimbursed to the extent of 10% of the salary towards expenses incurred for self and family for Medical Expenses and Leave Travel anywhere in India.
- iii) Fee of Clubs : Upto a maximum of two clubs. This will not include any admission or life membership fees.
- iv) Personal Accident Insurance/Life Insurance : Premium not exceeding Rs.25,000/- per annum.
- v) Ex-Gratia/Bonus : In accordance with the Rules of the Company.

#### **PART-B**

- i) Company's contribution to Provident Fund as per Rules of the Company.
- ii) Gratuity on retirement at the rate of half month's salary for each completed year of service subject to the ceiling as provided in law.
- iii) Leave with full pay : Encashment of leave will be permitted as per Rule of the Company.

#### **PART-C**

- i) Use of Car for Company's business. Any use of car for private purpose will be valued and charged as per Income Tax Rules, 1962.
- ii) Free telephone facility at residence.

In case of no profits or inadequate profits in the financial year, remuneration and perquisites shall be subject to overall limits as prescribed under Section-II of Part-II of Schedule V of the Companies Act, 2013.

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

A copy of the Agreement will be available for inspection by the Members at the Registered Office of the Company on any working day prior to the date of the meeting between 11.00 a.m. and 1.00 p.m. and will also be available at the meeting.

None of the Directors and their relatives other than Mr. K. P. Mundhra and none of the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the aforesaid re-appointment and remuneration.

Mr. K P Mundhra has attained the age of 70 ( seventy) on 17th November, 2014. Accordingly, approval of the shareholders is being sought through Special Resolution for continuation of holding of office of the Whole Time Director after his attaining the age of 70 years.

Considering the valuable contribution of Mr. K P Mundhra in the growth of the Company, the Board recommends passing of the resolutions as special resolutions as set out in Item No.6 of the Notice.

#### **Item No.7 & 8**

The Board of Directors in their meeting held on 30th June, 2016, on recommendation of Nomination and Remuneration Committee of the Company, have appointed Mr. Hari Prasad Kabra as an Additional Director and also as a Wholetime Director designated as an Executive Director of the Company for a period from 1st July, 2016 to 31st March, 2018. subject to approval by the members in the ensuing Annual General Meeting of the Company, to look after day to day affairs of the Company on the terms and conditions as per Agreement entered into by and between the Company on the One Part and Mr. Hari Prasad Kabra on the Other Part. A Notice pursuant to section 160 of the Companies Act, 2013 has been received from a shareholder signifying intention to propose his appointment as a Director of the Company. The terms of remuneration of Mr. Hari Prasad Kabra are in accordance with Schedule V of the Companies Act, 2013.

An abstract of the remuneration & perquisites payable to him as Executive Director of the Company is given below :-

#### **REMUNERATION :**

- i) Salary : Rs 5,95,000/- (Rupees Five Lacs Ninety Five thousand only) per month for the period from 1st July, 2016 to 31st March, 2017 and thereafter such remuneration as may be approved by the Board of Directors/members of the Company.
- ii) Perquisites : Apart from salary Mr. Hari Prasad Kabra will also be entitled prorata perquisites for the period from 1st July, 2016 to 31st March, 2017 classified into the following three parts viz. Part A, B and C.

#### **PART-A**

- i) Housing — The Company shall provide rent-free furnished accommodation. In case no accommodation is provided by the Company, the Executive Director shall be entitled to House Rent Allowance limited to 8% of his salary.
- ii) Medical Reimbursement and Leave Travel Concession : The Executive Director shall be reimbursed to the extent of 10% of the salary towards expenses incurred for self and family for Medical Expenses and Leave Travel anywhere in India.
- iii) Fee of Clubs : Upto a maximum of two clubs. This will not include any admission or life membership fees.
- iv) Personal Accident Insurance/Life Insurance : Premium not exceeding Rs.25,000/- per annum.
- v) Ex-Gratia/Bonus : In accordance with the Rules of the Company.

#### **PART-B**

- i) Company's contribution to Provident Fund as per Rules of the Company.
- ii) Gratuity on retirement at the rate of half month's salary for each completed year of service subject to the ceiling as provided in law.
- iii) Leave with full pay : Encashment of leave will be permitted as per Rule of the Company.

**PART-C**

- i) Use of Car for Company's business. Any use of car for private purpose will be valued and charged as per Income Tax Rules, 1962.
- ii) Free telephone facility at residence.

In case of no profit or inadequate profit in the financial year, remuneration and perquisites shall be subject to overall limit as prescribed under Section II Part II of Schedule V of the Companies Act, 2013.

The Executive Director so long as he functions as such shall not be entitled to sitting fees for attending the meeting of the Board of Directors or Committees thereof.

A copy of the Agreement will be available for inspection by the Members at the Registered Office of the Company on any working day prior to the date of the meeting between 11.00 a.m. and 1.00 p.m. and will also be available at the meeting.

In terms of Section 161(1) of the Companies Act, 2013, Mr. Hari Prasad Kabra holds office upto the date of the ensuing Annual General Meeting of the Company and is eligible for appointment as a Director, subject to the approval of the shareholders. Approval of the members is required for appointment and payment of remuneration to him.

A notice under Section 160(1) of the Companies Act, 2013 along with requisite deposit has been received from a Member, signifying his intention to propose the appointment of Mr. Hari Prasad Kabra as a Director of the Company. The notice is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

Mr. Hari Prasad Kabra has been associated with the Company for the last 42 years working up the ladder from a simple beginning as a Junior Executive in the organization. Mr. Kabra was duly promoted from time to time upto the rank of President (Commercial) prior to his appointment as Wholetime Director designated as Executive Director of the Company. Mr. Kabra is B.Sc., MBA, is fully conversant with the affairs of the Company. His qualification and experiences qualifies him for the appointment as an Executive Director.

The Board of Directors is of the opinion that Mr. Kabra, proposed to be appointed, possesses appropriate skills, experience and knowledge required for discharge of his duties as a Whole-time Director. His knowledge and experience will be of great value to the Company and hence recommends the Resolutions at items no. 7 and 8 of this Notice for your approval.

None of the Directors other than Mr. Hari Prasad Kabra and none of the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the aforesaid re-appointment and remuneration.

**Item No.9**

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors M/s. S. Gupta & Co., to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017 at a remuneration of Rs. 40,000/- plus applicable taxes and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in resolutions set out at Item No.9 of the Notice.

The Board recommends Ordinary Resolutions set out at Item No.9 of the Notice for approval by the shareholders.

**GENERAL INFORMATION**

1. Nature of Industry : Pharmaceutical
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 Lacs)

Financial Parameters	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Turnover	22817.63	26238.60	28984.81	32086.28	32123.52
Net Profit as per Profit & Loss Account (after extra-ordinary items)	762.84	855.87	1257.32	1370.03	4799.59
Amount of Dividend paid (including Corporate Dividend Tax)	298.48	300.47	333.86	377.79	377.81
Rate of Dividend declared	45%	45%	50%	55%	55%

5. Export performance and net foreign exchange collaborations : F. O. B. value of Export including Freight & Insurance during the year 2015-2016 is Rs.2718.48 Lacs. There are no foreign exchange collaboration during the year under review.

6. Foreign investments or collaborators, if any : None

#### INFORMATION ABOUT THE APPOINTEES :

- Background details : Mr. A K Kothari, Mr. K P Mundhra and Mr. Hari Prasad Kabra are associated with the Company for more than 25 years and possess vast experience in managing the business of the Company.
- Past remuneration :
 

Mr. A K Kothari	-	Rs.84,54,200/- for the year 2015-2016 Rs.68,12,400/- for the year 2014-2015 Rs.67,06,956/- for the year 2013-2014
Mr. K P Mundhra	-	Rs.89,57,958/- for the year 2015-2016 Rs.79,09,000/- for the year 2014-2015 Rs.76,46,317/- for the year 2013-2014
Mr. Hari Prasad Kabra	-	Rs.87,23,337/- for the year 2015-2016 Rs.78,31,684/- for the year 2014-2015 Rs.75,61,657/- for the year 2013-2014
- Recognition or Awards : None
- Job Profile and his suitability : Subject to superintendence, direction and control of the Board, the day-to-day management and administration are vested to him.
- Remuneration proposed : As set out in the Explanatory Statement The remuneration has the approval of the Nomination and Remuneration Committee.
- Comparative remuneration : Profile with respect to industry size of the Company, profile of the position and person : Taking the consideration the size of the Company and the responsibilities shouldered by Mr. A K Kothari, Mr. K P Mundhra and Mr. Hari Prasad Kabra, the aforesaid remuneration package is commensurate with the remuneration paid to managerial persons in other companies.
- Pecuniary relationship : directly or indirectly with the company or relationship with managerial person if any : Beside the remuneration, managerial persons do not have any pecuniary relationship with the Company.



**OTHER INFORMATION :**

- |  |  |      |
|--|--|------|
| 1. Reason of loss or inadequate profit                               |  |      |
| 2. Steps taken or proposed to be taken for improvement               |  | N.A. |
| 3. Expected increase in productivity and Profits in measurable terms |  |      |

Registered Office :  
15, Chittaranjan Avenue  
Kolkata - 700 072

CIN : L51109WB1938PLC009490  
Dated : 4th July, 2016

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

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

**Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting in pursuance to Regulation 36(3) of SEBI (LODR) Regulations, 2015**

Name of Director	Date of Birth	Date of Appointment	Expertise in specific Functional areas	Qualification	List of other Companies in which Directorships held as on 31 <sup>st</sup> March 2016*	Chairman / Member of the Committee of the Board of other Companies on which he is a Director as on 31 <sup>st</sup> March 2016
Mr. A. K. Kothari	10-07-1953	20-06-1988	Rich experience in the field of pharmaceuticals, chemicals, tea, textiles, machine tools etc.	B.Com	Gillanders Arbuthnot & Co. Ltd. Kothari Phytochemicals & Industries Ltd. Bharat Fritz Werner Ltd. Indian Glass & Electricals Ltd. Arvind Engineering Works Ltd.	Gillanders Arbuthnot & Co. Ltd. (Member-Audit Committee, Stakeholders/Investors Grievance Committee) Kothari Phytochemicals & Industries Ltd. (Member - Audit Committee)
Mr. Kamal Prasad Mundhra	17-11-1944	30-09-1992	Vast Managerial and Administrative experience in Pharmaceutical Industry	M.Sc. (Hons.)	Satyam Financial Services Ltd.	—
Mrs. Prabhawati Devi Kothari	10-09-1957	31-03-2014	Conversant with accounts, finance and administrative matters	B.Com	Gillanders Arbuthnot & Co. Ltd. Kothari Phytochemicals & Industries Ltd. Bharat Fritz Werner Ltd. M.D. Kothari & Co. Ltd.	Gillanders Arbuthnot & Co. Ltd. (Member-Stakeholders Relationship Committee, Nomination & Remuneration Committee) Kothari Phytochemicals & Industries Ltd. (Member-Stakeholders Relationship Committee)
Mr. Hari Prasad Kabra	15-09-1948	01-07-2016	Vast Managerial and Administrative experience in Pharmaceutical Industry	B.Sc., MBA		

**Note :**

- None of the above Directors are holding shares of the Company except Mr. A. K. Kothari who is holding 1,02,000 equity shares and Mrs. Prabhawati Devi Kothari who is holding 12,500 equity shares.
- Mrs. Prabhawati Devi Kothari is wife of Mr. A. K. Kothari, Chairman & Managing Director.

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

Registered Office :  
15, Chittaranjan Avenue  
Kolkata - 700 072

CIN : L51109WB1938PLC009490  
Dated : 4th July, 2016

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

Associate Vice President (Accounts & Taxation)  
Cum-Company Secretary

**ALBERT DAVID LIMITED**

(CIN : L51109WB1938PLC009490)

Registered Office : 15, Chittaranjan Avenue, Kolkata - 700072

Tel : 033-2212-9700, 9637, 9592, Fax : 033-2225-8714

Email : adidavid@dataone.in

Website : www.albertdavidindia.com

## Directors' Report

**TO THE SHAREHOLDERS**

Ladies &amp; Gentlemen,

Your Directors have pleasure in presenting their 77th Annual Report on the business and operations of the Company and the accounts for the financial year ended 31st March, 2016.

**FINANCIAL HIGHLIGHTS/PERFORMANCE OF THE COMPANY :**

	2015-2016	(Rs. in Lacs) 2014-2015
<b>Revenue from operations/Net Sales</b>	<b>32123.52</b>	<b>32086.28</b>
<b>Earning before Interest, Depreciation, Tax &amp; Ammortisation [EBIDTA]</b>	<b>3105.46</b>	<b>3658.38</b>
Other Income	196.61	179.59
Finance Costs	181.09	269.62
<b>Gross Profit (EBDTA)</b>	<b>3120.98</b>	<b>3568.35</b>
Depreciation and Amortization	899.87	1541.46
<b>Profit Before exceptional and extraordinary items and tax</b>	<b>2221.11</b>	<b>2026.89</b>
Exceptional items	4080.75	—
<b>Profit Before extraordinary items and tax</b>	<b>6301.86</b>	<b>2026.89</b>
Extraordinary items	—	—
<b>Profit Before Tax [PBT]</b>	<b>6301.86</b>	<b>2026.89</b>
Tax expense including for earlier years	1502.27	656.86
<b>Net Profit after Tax [PAT]</b>	<b>4799.59</b>	<b>1370.03</b>
Balance of Profit brought forward from previous year	571.58	529.34
Less : Fixed Assets adjusted for over-aged assets (Net of deferred tax)	(21.16)	—
<b>Surplus available for appropriation</b>	<b>5350.01</b>	<b>1899.37</b>
<b>Appropriations :</b>		
Interim Dividend	313.91	313.89
Tax on Dividend	63.90	63.90
Transfer to General Reserve	4000.00	950.00
<b>Balance Carried to Balance Sheet</b>	<b>972.20</b>	<b>571.58</b>

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

During the year under review, your Company achieved Net Sales of Rs.32123.52 Lacs and recorded a Gross Profit of Rs.3120.98 Lacs compared to previous year's Net Sales of Rs. 32086.28 Lacs and Gross Profit of Rs. 3568.35 Lacs.

As reported in the last year, your Company has successfully launched Dhup Tab & Drop (Vit.D3), Inbalance-Z (probiotic) and Evict-XF (Laxative).

During the current financial year, your Company plans to further strengthen Inbalance range by launching Inbalance Capsule & Inbalance Readysolution.

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

### **DIVIDEND**

Interim Dividend of Rs.5.50 per equity share of Rs.10/- each for the financial year ended 31st March, 2016 amounting to Rs.377.81 Lacs (inclusive of dividend distribution tax of Rs.63.90 Lacs) was paid during the year. Considering this, no final dividend is recommended by the Board.

### **TRANSFER TO RESERVES :**

The Board proposes to transfer an amount of Rs.4000.00 Lacs to General Reserve.

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

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

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

There was no material changes and commitments in the business operation of the Company, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

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

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

1. The Company has appointed Internal Auditors to observe the Internal Controls, whether the work flow of organization is being done through the approved policies of the Company. In every quarter during the approval of Financial Statements, Internal Auditors present the Internal Audit Report and Management comments on the Internal Audit observations;
2. The Board of Directors of the Company have adopted various policies like Related Party Transaction Policy, Whistle Blower Policy and other procedures for ensuring the orderly and efficient conduct of its business. The Company's system of internal control has been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.
3. The Company is in process of installing ERP suite for a reliable, high end, comprehensive, disciplined and integrated business solution.

### **DEPOSITS :**

The Company has outstanding deposits of Rs.437.75 Lacs as on 31st March, 2016 which was accepted from the shareholders of the Company in terms of section 73 of the Companies Act, 2013. There was no overdue deposit as on 31st March, 2016 except Rs.21.80 Lacs (including accrued interest of Rs.1.80 Lacs) which remained unclaimed.

### **STATUTORY AUDITORS :**

M/s. G. Basu & Co., Kolkata, Chartered Accountants (Firm Registration No.301174E) had been appointed as Statutory Auditors of the Company by the members in their AGM held on 7th August, 2014 till the AGM of the Company to be held in 2017 (subject to ratification by members at every AGM). Accordingly, appointment of M/s. G. Basu & Co., Chartered Accountant, as Statutory Auditors of the Company for the financial year 2016-17 is placed for ratification by the shareholders.

M/s. G. Basu & Co., Kolkata, Chartered Accountants have signified their consent, in writing, for such appointment along with a certificate stating that their appointment, if made, shall be in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

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

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

#### **AUDITORS' REPORT :**

The Auditors' Report to the shareholders on the accounts of the Company for the financial year ended 31st March 2016, does not contain any qualification, reservation or adverse remark or disclaimer.

#### **SECRETARIAL AUDIT :**

The provisions of Section 204 read with Section 134(3) of the Companies Act, 2013 mandates Secretarial Audit of the Company for the financial year 2015-2016 by a Company Secretary in Practice and accordingly the Board have appointed M/s. MKB & Associates, Practicing Company Secretary (C.P.No: 7596) as Secretarial Auditor to conduct Secretarial audit of the Company for the Financial year ended on 31st March, 2016.

Secretarial Audit Report issued by M/s. MKB & Associates, Practicing Company Secretary in form MR-3 is enclosed as "**Annexure - 1**" to this Annual Report.

There are no qualifications in Secretarial Audit Report.

#### **COST AUDIT :**

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company relating to the business of manufacturing Bulk Drugs and Formulations. Accordingly, M/s. S. Gupta & Co., Kolkata, Cost Accountants (Registration No.000020) were appointed as the Cost Auditors for auditing the Company's cost accounts for the year ended 31st March, 2016.

As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s. S. Gupta & Co., Cost Auditors is included in the Notice convening the Annual General Meeting.

#### **SHARE CAPITAL :**

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

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

The extract of the Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 and the same is enclosed as "**Annexure - 2**" to this Report.

#### **THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 (ACT) READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014 :**

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

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

The Board of Directors of the Company have constituted Corporate Social Responsibility Committee consisting of following persons namely Mr. A. K. Kothari, designated as Chairman, Mr. K. P. Mundhra, Executive Director and Dr. K. Lahiri, Independent Director of the Company as members of the Committee.

The Board of Directors of the Company on the recommendation of CSR Committee has adopted a CSR Policy at its meeting held on 13th November, 2014 which inter-alia states the CSR activities to be taken by the Company. The Policy may be referred at the Company's official website at <http://www.albertdavidindia.com/investor-relation/si/csr>.

The Company has contributed Rs.10.00 Lacs in discharging its corporate responsibility obligation during the year. In terms of section 135 of the Companies Act, 2013, an amount of Rs.34.80 Lacs was due. The balance amount of Rs.24.80 Lacs has been carried forward to the next year, as suitable project/programme could not be identified for carrying the activities as per CSR Policy of the Company.

Report on Corporate Social Responsibility as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014 is prepared and the same is enclosed as "Annexure - 4" to this Report.

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

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

All the Independent Directors have submitted their declarations of independence pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as laid down in section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

The Independent Directors are familiarised with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. On appointment, the Independent Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program on the Company's operations, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The Director is also explained in detail the various compliances required from him as a Director under the various provisions of the Companies Act 2013, SEBI (LODR) Regulation, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2011, the Code of Conduct of the Company and other relevant regulations. The details of familiarization program is available on the Company's website under the weblink: <http://www.albertdavidindia.com/investor-relation/si/familiarisation>

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

In accordance with the provisions of Articles of Association of the Company, Mrs. Prabhawati Devi Kothari, Director of the Company, is liable to retire by rotation and being eligible, offer herself for re-appointment. The Board recommends her appointment with a view to avail her valuable advices and wise counsel.

A brief profile of the above Director seeking appointment/re-appointment required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is given in the Notice of AGM forming part of the Annual Report.

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in section 164(2) of the Companies Act, 2013 and rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules 2014.

### **(d) Change in Directorship during the year**

There was no change in Directorship during the year. Mr. K P Mundhra, Wholetime Director, who was re-appointed by the Board as the Executive Director in its meeting held on 28th March, 2016 for a period of one year with effect from 1st April 2016, has resigned with effect from 1st July, 2016. The Board put on record their appreciation for the valuable services rendered by Mr. K P Mundhra during his tenure.

### **(e) Key Managerial Personnel**

Mr. A. K. Kothari, Chairman & Managing Director, Mr. K. P. Mundhra, Executive Director, Mr. S. C. Shah, Vice President(Finance) & CFO and Dr. Indrajit Dhar, Associate Vice President (Accounts & Taxation)-cum-Company



Secretary were re-designated as Whole-time Key Managerial Personnel of the Company as per section 203(2) of the Companies Act, 2013.

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

Pursuant to the provisions of Section 178 of the Companies Act 2013 and the SEBI Listing Regulations, evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

- i. The frequency of meetings;
- ii. The length of meetings;
- iii. The administration of meeting;
- iv. The number of committees and their roles;
- v. The flow of information to board members and between board members;
- vi. The quality and quantity of information; and
- vii. The Disclosure of Information to the stakeholders.

### **b) Criteria for evaluation of the Individual Directors**

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

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

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

During the financial year ended 31st March, 2016 seven Board Meetings were held on 28th May, 2015, 12th August, 2015, 14th November, 2015, 27th January, 2016, 10th February, 2016, 14th March, 2016 and 28th March, 2016. The maximum time gap between any two meetings was less than four months as stipulated under SEBI (LODR) Regulation, 2015. Details of board meetings held during the financial year have been furnished in the Corporate Governance Report forming part of this Annual Report.

## **MEETINGS OF INDEPENDENT DIRECTORS**

During the year under review, a meeting of Independent Directors was held on 10th February, 2016 wherein the performance of the non-independent directors and the Board as a whole was reviewed. The Independent Directors at their meeting also assessed the quality, quantity and timeliness of flow of information between the Company 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. Details of all the above Committees along with composition and meetings held during the year under review are provided in the Report on Corporate Governance forming part of this report.

#### **AUDIT COMMITTEE :**

The composition and terms of reference of the Audit Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report. There has been no instances where the Board has not accepted the recommendations of the Audit Committee.

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

The composition and terms of reference of the Nomination and Remuneration Committee has been furnished in the Corporate Governance Report forming part of this Annual Report.

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

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and Rules thereto stating therein the Company's policy on Directors' appointment and remuneration by the Nomination and Remuneration Committee which was approved by the Board of Directors at its meeting held on 27th May, 2014. The said Policy is appended as "**Annexure - 5**" to this Report.

The said policy may also be referred to, at the Company's official website at the weblink, <http://www.albertdavidindia.com/investor-relation/si/nr-policy>

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

The Company has established an effective Whistle Blower Policy pursuant to Companies Act, 2013. The said policy may be referred to, at the Company's official website at the weblink, <http://www.albertdavidindia.com/investor-relation/si/whistle-blower-policy>

The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting 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 concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the audit committee in exceptional cases.

#### **DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT 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 Female employee of the Company. No complaints were received during the financial year 2015-2016.

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

Details of Loans, guarantees and investments covered under Section 186 of the Act form part of the Note No.28.14 to the Financial Statements provided in this Annual Report.

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

A Related Party Policy has been devised by the Board of Directors at its meeting held on 9th February, 2015 for determining the materiality of transactions with related parties and dealings with them. The said policy may be referred to, at the Company's official website at the weblink, <http://www.albertdavidindia.com/investor-relation/si/rp-transaction>

The Audit Committee reviews all related party transactions quarterly.

There are no contracts or arrangements entered into by the Company during the year with Related Parties referred to in Section 188(1) of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Directors draw attention of the members to Note No.28.2 to the financial statement which set out related party disclosures.

#### **STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL :**

Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as "**Annexure - 6**" to this Annual Report.

Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as "**Annexure - 7**" to this Annual Report.

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

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

#### **RISK & MITIGATING STEPS :**

The Company has identified various risks faced by the Company from different areas. Appropriate structures are present so that risks are inherently monitored and controlled inter alia through strict quality assurance measures.

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT :**

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

- i) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any ;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2016 and of the profit of the Company for that period ;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records for the year ended 31st March, 2016 in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- iv) the Directors had prepared the annual accounts on a 'going concern basis';
- v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls with reference to the financial statements are adequate and were operating effectively ; and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND :**

The Company has transferred unclaimed dividend amounts till the year ended 31st March, 2008 to the Investor Education & Protection Fund established by the Central Government in compliance to the provisions of the Companies Act.

Pursuant to the provisions of IEPF (Uploading of Information regarding Unpaid and Unclaimed Amounts lying with companies) Rules, 2012, the Company has uploaded the details of Unclaimed Dividend lying with the Company on the its website <http://www.albertdavidindia.com/investor-relation/si/iep-fund>, as also on the website of Ministry of Corporate Affairs.

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

Your Company is listed with BSE Limited and the Company has paid the listing fees.

#### **ACKNOWLEDGMENT :**

The Board gratefully acknowledges the support given by medical profession, trade, shareholders, Company's bankers and stockists, Central and State Government Authorities, Stock Exchange, 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.

For and on behalf of the  
Board of Directors

Kolkata  
Dated : 30th May, 2016

**A. K. Kothari**  
Chairman & Managing Director  
DIN : 00051900

**ANNEXURE-1**

**MKB & Associates  
Company Secretaries**

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

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31.03.2016**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
Albert David Limited  
15, Chittaranjan Avenue  
Kolkata-700072

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s 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 records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on the 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, 2016 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, 2016, 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) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investments, Foreign Direct Investments 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 and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
  - b) The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and 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
  - 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, 1998

(vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/ trading companies, the following laws/acts are also, inter alia, applicable to the Company :

- a) The Drugs and Cosmetics Act, 1940 and Rules made thereunder;
- 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 following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India [Applicable from 1st July, 2015];
- b) The Listing Agreements entered into by the Company with BSE Limited (BSE) and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. [Applicable from 1st December, 2015];

During the period under review the Company has generally complied with the provisions of the Acts, 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 period under audit, the Company has sold its brand 'Actibile' to M/s. Zydus Healthcare Limited, Ahmedabad for a lump sum consideration of Rs.55 crores.

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

Place : Kolkata  
Date : 30<sup>th</sup> May , 2016



## **Annexure - I**

To  
The Members,  
Albert David Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes 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 processes 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 representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MKB & Associates  
Company Secretaries

Manoj Kumar Banthia  
[Partner]  
ACS no. 11470  
COP no. 7596

Date: 30th May, 2016  
Place: Kolkata

**ANNEXURE-2****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March , 2016**

[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 NO :- 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  
15, CHITTARANJAN AVENUE  
KOLKATA-700072  
033-2212-9700/9637/9592  
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.  
6, MANGO LANE, 2ND FLOOR, KOLKATA-700001  
033-2243-5809/5029  
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 shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of Pharmaceuticals	210 - Manufacture of Pharmaceuticals Products	82.64%
2	Trading of Pharmaceuticals	46498 - Wholesale of Pharmaceuticals & Medical Goods	17.36%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES** - There is no subsidiary, holding or associate company.**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change
		Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A	<b>Promoters</b>									
	(1) <b>Indian</b>									
	a) Individual/ HUF	673500	0	673500	11.80	668000	0	668000	11.71	(-)0.09
	b) Central Govt	0	0	0	0	0	0	0	0	-
	c) State Govt(s)	0	0	0	0	0	0	0	0	-
	d) Bodies Corp.	2816260	0	2816260	49.35	2807514	0	2807514	49.19	(-)0.16
	e) Banks / FI	0	0	0	0	0	0	0	0	-
	f) Any Other....	0	0	0	0	0	0	0	0	-
	<b>Sub-total-(A) (1)</b>	3489760	0	3489760	61.15	3475514	0	3475514	60.90	(-)0.25

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change
		Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
	<b>(2) Foreign</b>									
	a) NRIs –Ind.	0	0	0	0.00	0	0	0	0.00	-
	b) Other –Ind.	0	0	0	0.00	0	0	0	0.00	-
	c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	-
	d) Banks / FI	0	0	0	0.00	0	0	0	0.00	-
	e) Any Other....	0	0	0	0.00	0	0	0	0.00	-
	<b>Sub-total- (A) (2)</b>	0	0	0	0.00	0	0	0	0.00	-
	<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	3489760	0	3489760	61.15	3475514	0	3475514	60.90	(-).0.25
<b>B</b>	<b>Public Shareholding</b>									
	a) Mutual Funds	0	900	900	0.02	0	900	900	0.02	-
	b) Banks / FI	0	550	550	0.01	0	550	550	0.01	-
	c) Central Govt	0	0	0	0.00	0	0	0	0.00	-
	d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	-
	e) Venture Cap. Funds	0	0	0	0.00	0	0	0	0.00	-
	f) Insurance Comp.	258126	0	258126	4.52	258126	0	258126	4.52	-
	g) FIIs	0	0	0	0.00	0	0	0	0.00	-
	h) Foreign Ven. Cap funds	0	0	0	0.00	0	0	0	0.00	-
	i) Others, if any	0	0	0	0.00	0	0	0	0.00	-
	<b>Sub Total- (B) (1)</b>	258126	1450	259576	4.55	258126	1450	259576	4.55	-
	<b>2. Non- Institutions</b>									
	a) Bodies Corp									
	i) Indian	319309	2276	321585	5.63	271287	2276	273563	4.79	(-).0.84
	ii) Overseas	0	0	0	0.00	0	0	0	0.00	-
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1262669	148876	1411545	24.73	1300753	142425	1443178	25.29	0.56
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	176730	0	176730	3.10	196746	0	196746	3.45	0.35
	c) Others -clearing member	2268	0	2268	0.04	21949	0	21949	0.38	0.34
	Non Resident Individual	45623	75	45698	0.80	36561	75	36636	0.64	(-).0.16
	<b>Sub-total (B) (2)</b>	1806599	151227	1957826	34.30	1827296	144776	1972072	34.55	0.25
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	2064725	152677	2217402	38.85	2085422	146226	2231648	39.10	0.25
<b>C</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	-
	<b>Grand Total (A+B+C)</b>	<b>5554485</b>	<b>152677</b>	<b>5707162</b>	<b>100</b>	<b>5560936</b>	<b>146226</b>	<b>5707162</b>	<b>100</b>	

**(ii) Shareholding of Promoters**

Sl. No.	Shareholders' 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	559000	9.80	0	553500	9.70	0	(-)0.09
2	ARUN KUMAR KOTHARI	93000	1.63	0	102000	1.79	0	0.16
3	PRABHAWATI DEVI KOTHARI	12500	0.22	0	12500	0.22	0	-
4	G.D.KOTHARI	9000	0.16	0	0	0.00	0	(-)0.16
5	COMMERCIAL HOUSE PVT.LTD	400334	7.01	0	400334	7.01	0	-
6	KOTHARI & COMPANY PVT LTD	398341	6.98	0	398341	6.98	0	-
7	M.D.KOTHARI & COMPANY LTD	393694	6.90	0	393694	6.90	0	-
8	KOTHARI INV. & IND.PVT LTD	313900	5.50	0	313900	5.50	0	-
9	BHAKTWATSAL INVESTMENTS LTD	99781	1.75	0	99781	1.75	0	-
10	KOTHARI PHYTOCHEM.& IND. LTD	70335	1.23	0	61589	1.08	0	(-)0.16
11	VISHNUHARI INV. & PROP. LTD	1139875	19.97	0	1139875	19.97	0	-
	<b>Total</b>	<b>3489760</b>	<b>61.15</b>	<b>0</b>	<b>3475514</b>	<b>60.90</b>	<b>0</b>	<b>(-)0.25</b>

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

	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	3489760	61.15		
Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/Decrease			-	-
G. D. KOTHARI	9000	0.16	9000	0.16
Transmission on 22/5/2015	9000	0.16	0	0.00
At the end of the year			0	0.00
ANAND VARDHAN KOTHARI	559000	9.79	559000	9.79
Sale on 10/4/2015	4000	0.07	555000	9.72
Buy on 5/6/2015	500	0.00	555500	9.73
Sale on 4/12/2015	2000	0.03	553500	9.70
At the end of the year			553500	9.70
KOTHARI PHYTOCHEM. & IND.LTD.	70335	1.23	70335	1.23
Sale on 10/4/2015	4746	0.09	65589	1.14
Sale on 17/4/2015	4000	0.07	61589	1.08
At the end of the year			61589	1.08
ARUN KUMAR KOTHARI	93000	1.63	93000	1.63
Transmission on 22/5/2015	9000	0.16	102000	1.79
At the end of the year			102000	1.79
PRABHAWATI DEVI KOTHARI	12500	0.22		
At the beginning of the year				
CHANGES DURING THE YEAR	NO CHANGE			
At the end of the year			12500	0.22

	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
VISHNUHARI INVEST. & PROP. LTD. At the beginning of the year CHANGES DURING THE YEAR At the end of the year	1139875 NO CHANGE	19.97	1139875	19.97
COMMERCIAL HOUSE PVT. LTD. At the beginning of the year CHANGES DURING THE YEAR At the end of the year	400334 NO CHANGE	7.01	400334	7.01
KOTHARI & CO. PVT. LTD. At the beginning of the year CHANGES DURING THE YEAR At the end of the year	398341 NO CHANGE	6.98	398341	6.98
M D KOTHARI & CO. LTD. At the beginning of the year CHANGES DURING THE YEAR At the end of the year	393694 NO CHANGE	6.90	393694	6.90
KOTHARI INVEST. & INDUS. P. LTD. At the beginning of the year CHANGES DURING THE YEAR At the end of the year	313900 NO CHANGE	5.50	313900	5.50
BHAKTWATSAL INVESTMENTS LTD. At the beginning of the year CHANGES DURING THE YEAR At the end of the year	99781 NO CHANGE	1.75	99781	1.75
At the end of the year			3475514	60.90

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

Sl. No.		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 INS. CORP. OF INDIA At the beginning of the year CHANGE DURING THE YEAR At the end of the year	258126 NO CHANGE	4.52	258126	4.52
2	LOK PRAKASHAN LTD At the beginning of the year CHANGE DURING THE YEAR At the end of the year	104931 NO CHANGE	1.84	104931	1.84
3	PARAMJEET SINGH At the beginning of the year CHANGES DURING THE YEAR	17177	0.30		
	Buy on 10/4/2015	25	0.00	17202	0.30
	Buy on 14/8/2015	1500	0.03	18702	0.33
	Buy on 4/9/2015	1000	0.02	19702	0.34
	Buy on 11/9/2015	2099	0.04	21801	0.38
	Buy on 18/9/2015	2525	0.04	24326	0.43
	Buy on 30/9/2015	300	0.00	24626	0.43
	Buy on 16/10/2015	40	0.00	24666	0.44
	Buy on 18/12/2015	754	0.01	25420	0.44
	At the end of the year			25420	0.44

Sl. No.		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
4	CD EQUIFINANCE PVT. LTD. At the beginning of the year CHANGES DURING THE YEAR Buy on 30/9/2015 Sale on 31/3/2016 At the end of the year	0  25549 2068	0.00  0.45 0.04	  25549 23481 23481	  0.45 0.41 0.41
5	KALYANI P JAIN At the beginning of the year CHANGES DURING THE YEAR At the end of the year	22838 NO CHANGE	0.40	  22838	  0.40
6	VEENA K JAGWANI At the beginning of the year CHANGES DURING THE YEAR At the end of the year	22500 NO CHANGE	0.39	  22500	  0.39
7	VADILAL DHANJIBHAI KHANDOL At the beginning of the year CHANGES DURING THE YEAR Buy on 16/10/2015 Buy on 19/2/2016 At the end of the year	0  2522 18000	0.00  0.04 0.32	  2522 20522 20522	  0.04 0.36 0.36
8	INDIANIVESH CAPITALS LTD. At the beginning of the year CHANGES DURING THE YEAR Buy on 31/3/2016 At the end of the year	0  19866	0.00  0.35	  19866 19866	  0.35 0.35
9	SUDHA PREMKUMAR AGARWAL At the beginning of the year CHANGES DURING THE YEAR Buy on 15/1/2016 Buy on 22/1/2016 At the end of the year	0  6238 12665	0.00  0.11 0.22	  6238 18903 18903	  0.11 0.33 0.33
10	BHUPINDER KAUR At the beginning of the year CHANGES DURING THE YEAR Buy on 21/8/2015 Buy on 18/9/2015 Buy on 30/9/2015 Buy on 16/10/2015 Buy on 25/12/2015 Buy on 19/2/2016 At the end of the year	13553  1000 234 300 3231 570 5	0.24  0.01 0.00 0.00 0.06 0.01 0.00	  14553 14787 15087 18318 18888 18893 18893	  0.25 0.26 0.26 0.32 0.33 0.33 0.33



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

Sl. No.		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 Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/Decrease Transmission on 22/05/2015 At the end of the year	93000   9000 102000	1.63   0.16 1.78	93000   102000 102000	1.63   1.78 1.78
2	PRABHAWATI DEVI KOTHARI At the beginning of the year Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/Decrease At the end of the year	12500  0 12500	0.22  0.00 0.22	12500  0 12500	0.22  0.00 0.22
3	KAMAL PRASAD MUNDHRA At the beginning of the year Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/Decrease At the end of the year	0  0 0	0.00  0.00 0.00	0  0 0	0.00  0.00 0.00
4	SUBHASH CHANDRA SHAH At the beginning of the year Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/Decrease At the end of the year	50  0 50	0.00  0.00 0.00	50  0 50	0.00  0.00 0.00
5	INDRAJIT DHAR At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/Decrease At the end of the year	0  0 0	0.00  0.00 0.00	0  0 0	0.00  0.00 0.00
		105550	1.85	114550	2.00

**V. INDEBTEDNESS**

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

(Rs. in Lac)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3010.22	Nil	416.48	3426.70
ii) Interest due but not paid	8.79	Nil	Nil	8.79
iii) Interest accrued but not due	0.20	Nil	Nil	0.20
<b>Total (i+ii+iii)</b>	<b>3019.21</b>	<b>Nil</b>	<b>416.48</b>	<b>3435.69</b>
<b>Change in Indebtedness during the financial year</b>				
▣ Addition	Nil	Nil	457.44	457.44
▣ Reduction	1434.23	Nil	Nil	1434.23
<b>Net Change</b>	<b>(-)1434.23</b>	<b>Nil</b>	<b>457.44</b>	<b>(-)976.79</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1584.98	Nil	873.92	2458.90
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>1584.98</b>	<b>Nil</b>	<b>873.92</b>	<b>2458.90</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or manager :**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Chairman and Managing Director Mr A. K. Kothari	Wholetime Director Mr K. P. Mundhra	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	8454200	8384400	16838600
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	NIL	573558	573558
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	– as % of profit			
	– others, specify...			
5	Others, please specify	NIL	NIL	NIL
	<b>Total (A)</b>	<b>8454200</b>	<b>8957958</b>	<b>17412158</b>
	<b>Ceiling as per the Act</b>			<b>23777849</b>

**B. Remuneration to other directors :**

Sl. No.	Particulars of Remuneration	Independent Directors					Non-Executive Director	
		H. Kampani	R. Singhi	K. Lahiri	A. K. Bhattacharya	A. Sarkar	P. D. Kothari	Total
1	Fee for attending board/ committee meetings	90000	65000	45000	25000	35000	55000	315000
2	Commission	0	0	0	0	0	0	0
3	Others, please specify	0	0	0	0	0	0	0
	Total (B)	90000	65000	45000	25000	35000	55000	315000
	Total Managerial Remuneration (A + B)							17727158
	Overall Ceiling as per the Act							30077849

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

Sl. no.	Particulars of remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1906960	4473520	6380480
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	9653	130261	139914
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	– as % of profit			
	– Others, specify			
5	Others, please specify	0	0	0
	Total	1916613	4603781	6520394

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

<b>A. COMPANY</b>	
Penalty	NIL
Punishment	NIL
Compounding	NIL
<b>B. DIRECTORS</b>	
Penalty	NIL
Punishment	NIL
Compounding	NIL
<b>C. OTHER OFFICERS</b>	
Penalty	NIL
Punishment	NIL
Compounding	NIL

For and on behalf of the  
Board of Directors

Kolkata  
Dated : 30th May, 2016

**A. K. Kothari**  
Chairman & Managing Director  
DIN : 00051900

## 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 utilisation of energy. Some of the measures taken by the company are as under.

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

- (a) Power factor maintained with automatic power factor system and availed rebate from electricity board.
- (b) During winter, all HVAC system is run with cooling water instead of running chilling plant.
- (c) Low cost briquette fired boiler is installed for fuel saving.
- (d) New eco friendly D.G. Sets installed.
- (e) LED Lights fitted in place of conventional lights.

Energy conservation measures stated above have resulted in efficiency in fuel consumption.

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

Nil

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

NIL

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

The company always keep track of the latest development in the field of technology and remain 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 and Development**

The company's focus remains in improving & enhancing the R&D capabilities. The DSIR approved R&D center located at 5/11, D. Gupta lane, Kolkata - 700050, functions in dedicated manner to deliver high quality and efficacious drug formulations in all dosage forms like Oral Solids, Oral Liquids, Topical & Injectable including some select API synthesis & development. A good number of R&D Projects in product and process development have been taken up in this financial year as well which are at different stages of completion.

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

- ☐ Scale-up of synthesis route of Miltefosine API, its standardization & formulation development to maintain our leadership in providing sustainable treatment option for leishmaniasis (PKDL, ML & CL worldwide).
- ☐ Substantial data has been generated to incorporate research findings on the bio-constituents present in Placentrex on product label. Also collaborative research work with Research Institutions of repute has been initiated to expand its therapeutic principles and application.
- ☐ Developing new Formulations identified by marketing in both domestic & export segments.
- ☐ Process Validation & Stability studies of new formulations as well running products, Support Studies and documentation for Dossier submissions for export registration & Audits and Compliance study supports have been provided.
- ☐ Supporting Technology transfer to manufacturing and providing all kinds of document support.

- Analysis support, Analytical method Developments and its validations as required in various project plans is provided.
- Review of direct cost components of formulations and suggest measures for its cost saving wherever possible.
- Process trouble shooting and its improvement, Quality complaints study Quality Improvement measures have been provided.

**(c) Benefits Derived as a result of R&D**

- Three new products have been launched resulting in expansion of domestic product basket,
- A number of drug product dossiers have been submitted to enhance geographical reach of the products as well as renewal of export registrations,
- Quality Improvement & enhancement of product life,
- Enhancement of Regulatory Compliance standards, ensuring more risk free products to the user that increases brand value,
- Robust process with productivity improvement.

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

		<b>(Rs. in Lacs)</b>	
Sl. No.	Particulars	<b>Financial Year 2015-2016</b>	<b>Financial Year 2014-2015</b>
1.	Capital Expenditure	<b>33.29</b>	<b>50.60</b>
2.	Revenue Expenditure	<b>288.37</b>	<b>325.84</b>
	Total	<b>321.66</b>	<b>376.44</b>
3.	Total R&D Expenditure as a percent of total turnover	<b>1.00%</b>	<b>1.17%</b>

**C. FOREIGN EXCHANGE EARNINGS & OUTGO :**

**(a) Activity relating to Export –**

Company's export efforts in the regions like Latin American countries, countries on West Coast and Central Africa, countries in South East Asia and on East Cost of Africa continue to grow. Besides efforts are being made to enter into new markets and as a precursor to that, regulatory activities like submission of registration dossiers for the products as also the data for Company where required have been initiated to widen the export base.

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

Earning in foreign currency - Rs.2718.48 Lacs (Previous Year Rs.3294.51 Lacs).  
(including deemed export in Indian Currency Rs.12.65 Lacs, Previous Year Rs.38.25 Lacs)  
Outgo in foreign currency - Rs.2896.36 Lacs (Previous Year Rs.4023.53 Lacs).

For and on behalf of the  
Board of Directors

Kolkata  
Dated : 30th May, 2016

**A. K. Kothari**  
Chairman & Managing Director  
DIN : 00051900

**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.
- Ensuring environmental conservation and sustainability, promotion of health safety measurers, contribution to Prime Minister's National Relief Fund or any other welfare fund set up by the Central Government for socio-economic development.
- Rural development projects.
- Web link : [www.albertdavidindia.com/index.php/investor-relation/si/policies-codes/policies](http://www.albertdavidindia.com/index.php/investor-relation/si/policies-codes/policies)

**2. The Composition of the CSR Committee**

Sl. No.	Name	Designation
1	Mr. A. K. Kothari	Chairman (Chairman & Managing Director)
2	Mr. K. P. Mundhra	Member (Executive Director)
3	Dr. K. Lahiri	Member (Independent Director)

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

Average Net Profit for the preceding three Financial Years : Rs.1739.90 Lacs as per Section 135(5) of the Companies Act, 2013

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : Rs.34.80 Lacs****5. Details of CSR spent during the financial year.**

(a) Total amount spent for the financial year : Rs.10.00 Lacs

(b) Amount unspent, if any : Rs.24.80 Lacs

(c) Manner in which the amount spent during the financial year is detailed below.

(1) S. 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 programs 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  (Rs.)
1	Prime Minister's Relief Fund			7,00,000	7,00,000	7,00,000	Direct
2	Swachh Bharat Kosh			3,00,000	3,00,000	3,00,000	Direct
	TOTAL			10,00,000	10,00,000	10,00,000	

**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 - Other suitable projects/programme could not be identified for carrying the activities as per CSR Policy of the Company and it was decided to carry forward the unspent amount of Rs.24.80 Lacs to next year.****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 Corporates Social Responsibility Committee

**K. P. Mundhra**  
Member

**A. K. Kothari**  
Chairman of the Committee

**Dr. K. Lahiri**  
Member

Kolkata

Dated : 30th May, 2016

## ANNEXURE-5

NOMINATION AND REMUNERATION POLICY**I. PREAMBLE**

The Board of Directors of ALBERT DAVID LIMITED ("the Company") had constituted a Remuneration Committee consisting of four (4) Directors, of which 50% was Independent Directors. In order to align with the provisions of the Companies Act, 2013 ("the Act") and the Listing Agreement, the Board on March 31, 2014 renamed the "Remuneration Committee" as "Nomination and Remuneration Committee".

**II. OBJECTIVE**

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be :

- a. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- d. 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.
- e. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- f. To devise a policy on Board diversity.
- g. To develop a succession plan for the Board and to regularly review the plan.

**III. DEFINITIONS**

- a. **"Act"** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. **"Board"** means Board of Directors of the Company.
- c. **"Key Managerial Personnel"** according to Section 2(51) of the Companies Act, 2013, means:
  - i. the Chief Executive Officer or the Managing Director or the Manager;
  - ii. the Company Secretary;
  - iii. the Whole-time Director;
  - iv. the Chief Financial Officer
- d. **"Senior Management"** means Senior Management Personnel of the Company who are 'one level below the Key Managerial Personnel'.
- e. **"Independent Director"**:- As provided under clause 49 of the Listing Agreement and under Section 149(6) of the Companies Act, 2013, 'Independent Director' shall mean a non-executive director, other than a managing director or a whole-time director or a nominee director of the Company :
  - i. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - ii. (a) who is or was not a promoter of the company or its holding, subsidiary or associate company;  
(b) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - iii. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company,



or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

- iv. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- v. who, neither himself nor any of his relatives —
  - a. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - c. holds together with his relatives two per cent or more of the total voting power of the company; or
  - d. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
- vi. who possesses such other qualifications, as may be prescribed.

#### IV. ROLE OF COMMITTEE

##### 1. Matters to be dealt :-

The Committee shall :

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

##### 2. Policy for appointment and removal

###### a. Appointment

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level 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 discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
- iii. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy 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 five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**ii. Independent Director :**

- ▣ An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company 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.
- ▣ No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- ▣ At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act and Listing Agreement, from time to time.

**c. Evaluation Criteria for Directors**

Performance evaluation is a key mean by which Board can recognize and correct corporate governance problems and add real value to the Company. The Board determines and discusses the reasons for governance failures and how board evaluations can help prevent them from occurring. It then reviews the performance pressures facing boards and the benefits of board evaluations in meeting these pressures. All Board members are to participate in the evaluation and are encouraged to further discuss and refine their views during an executive session meeting. The following criteria are to be followed for reviewing the directors' performance:-

- a. Accomplishment of the organization's mission, objectives and strategic results for which the Executive Director is responsible.
- b. Ensuring that the board is well informed on issues affecting the continuing relevance of the mission and the performance and reputation of the Company.
- c. 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.
- d. 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.
- e. 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.
- f. Working relationship between chairman and chief executive officer, segregation of duties between 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 law and Listing Agreement. 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 Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**e. Retirement**

The Director, KMP and Senior Management Personnel 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 Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**3. Policy relating to the Remuneration****a. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

- i. Fixed pay: The Whole-time Director/ KMP and Senior Management Personnel 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, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- 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 Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- 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 / Independent Director:**

- i. Remuneration: The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.
- ii. Sitting Fees: The Non-Executive / Independent Director shall receive remuneration by way of fees for attending meetings of Board or Committee thereof, as may be decided by the Board, from time to time. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- 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.

**V. MEMBERSHIP**

- a. The Committee shall consist of a minimum three (3) non-executive directors, majority of them being independent.
- b. Minimum two (2) members, one of which must be an Independent Director, shall constitute a quorum for the Committee meeting.
- c. Membership of the Committee shall be disclosed in the Annual Report.
- d. Term of the Committee shall be continued unless terminated by the Board of Directors.

## VI. CHAIRPERSON

- a. Chairperson of the Committee shall be an Independent Director.
- b. 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 could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## VII. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

## VIII. 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 the meetings of the Committee.

## IX. SECRETARY

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

## X. 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.

## XI. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- a. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness.
- b. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act.
- c. Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d. Determining the appropriate size, diversity and composition of the Board.
- e. Setting a formal and transparent procedure for selecting new Directors for appointment to the Board.
- f. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan.
- g. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective.
- h. 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 an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- i. Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- j. Recommend any necessary changes to the Board.
- k. Considering any other matters, as may be requested by the Board.

## **XII. REMUNERATION DUTIES**

The duties of the Committee in relation to remuneration matters include :

- a. To consider and determine the Remuneration Policy, based on the 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 all elements of the remuneration of the members of the Board.
- b. To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c. To delegate any of its powers to one or more of its members of the Committee.
- d. To consider any other matters as may be requested by the Board.
- e. Professional indemnity and liability insurance for Directors and senior management.

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

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee within 30 days from the date of the meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

## **XIV. AMENDMENT(S) / MODIFICATION(S)**

The Nomination and Remuneration Committee will review and may amend / modify this Policy from time to time.

## ANNEXURE-6

**Statement of particulars as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year :

Sl. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Mr. A. K. Kothari (Chairman & Managing Director)	25.00
2	Mr. K. P. Mundhra (Executive Director)	27.00
3	Mrs. P. D. Kothari (Director) *	NIL
4	Mr. H. Kampani (Independent Director) *	NIL
5	Mr. R. Singhi (Independent Director) *	NIL
6	Dr. A. K. Bhattacharya (Independent Director) *	NIL
7	Dr. K. Lahiri (Independent Director) *	NIL
8	Mr. A. Sarkar (Independent Director) *	NIL

\* Mrs. P. D. Kothari, Mr. H. Kampani, Mr. R. Singhi, Dr. A. K. Bhattacharya, Dr. K. Lahiri and Mr. A. Sarkar were paid sitting fees for attending the meetings.

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year :

Sl. No.	Name of the Director	Percentage increase in remuneration
1	Mr. A. K. Kothari (Chairman & Managing Director)	24.10
2	Mr. K. P. Mundhra (Executive Director and Chief Executive Officer)	13.26
3	Mrs. P. D. Kothari (Director) *	NIL
4	Mr. H. Kampani (Independent Director) *	NIL
5	Mr. R. Singhi (Independent Director) *	NIL
6	Dr. A. K. Bhattacharya (Independent Director) *	NIL
7	Dr. K. Lahiri (Independent Director) *	NIL
8	Mr. A. Sarkar (Independent Director) *	NIL
9	Mr. S. C. Shah (Chief Financial Officer)	6.72
10	Dr. I. Dhar (Company Secretary)	5.74

\* Mrs. P. D. Kothari, Mr. H. Kampani, Mr. R. Singhi, Dr. A. K. Bhattacharya, Dr. K. Lahiri and Mr. A. Sarkar were paid sitting fees for attending the meetings.

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

6%

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

There are 1536 permanent employees on the rolls of the Company.

- (v) **The explanation on the relationship between average increase in remuneration and Company performance :**

S. No.	Average increase in remuneration	Company performance
1	9%	Net Sales Growth for the financial year 2015-2016 is 0.12% and Net Profit Growth is 250% for the same period (including exceptional item)

- (vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company :**

S. No.	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended 31st March, 2016
1	The aggregate increase in remuneration for Whole-time Directors & Key Managerial Personnel is 15% for the financial year 2015-2016	Net Sales Growth for the financial year 2015-2016 is 0.12% and Net Profit Growth is 250% for the same period (including exceptional item)

- (vii) **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer :**

S. No.	Particular	As at March 31, 2016	As at March 31, 2015
1	Market Capitalization	BSE - Rs.1705300006	BSE - Rs.1568898834
2	Price Earnings Ratio (considering consolidated EPS)	BSE - Rs.23.71 * excluding exceptional item	BSE - Rs.11.45

Our Market Capitalization increased by 8.69%. The Price Earnings Ratio increased by 207.07%. The closing price of the Company's Equity Shares on BSE as of March 31, 2016 was Rs.298.80, representing 1394% increase over the last Right Issue Price.

- (viii) **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 9% in the financial year 2015-2016 and average salary increase of managerial employees is 15%. There is no exceptional circumstance in increase in managerial remuneration.

- (ix) **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company :**

The increase in remuneration of each KMP is slightly higher than the growth percentage of Sales due to higher and additional responsibilities taken up by them.

- (x) **The key parameters for any variable component of remuneration availed by the directors :**

There is no variable component of remuneration availed by the Directors.

- (xi) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year :**

During the financial year 2015-2016, no employee received remuneration in excess of the highest paid Director.

- (xii) **Affirmation that the remuneration is as per the remuneration policy of the Company :**

Remuneration paid during the year ended March 31, 2016 is as per the Remuneration Policy of the Company.

For and on behalf of the  
Board of Directors

Kolkata  
Dated : 30th May, 2016

**A. K. Kothari**  
Chairman & Managing Director  
DIN : 00051900



## Annexure-7

### Information under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Employed throughout the year

Sl. No.	Name	Designation/ Nature of Duties	Remuneration Received (Rs.)	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment held	Percentage of equity shares of the company held
1	A. K. Kothari	Chairman & Managing Director	8454200.00	B.Com.	37	01.07.2008	63	None	1.79%
2	K. P. Mundhra	Executive Director	8957958.00	M.Sc.(Hons.)	48	21.8.1970	72	General Assistant, Indian Linoleums Ltd.	NIL
3	H. P. Kabra	President (Commercial)	8723337.00	B.Sc., MBA	44	27.04.1974	68	Sales Officer, Bagalkot Udyog Ltd.	NIL

#### Notes :

1. The person named above at Sl.No.1 & 2 is on contractual basis.
2. The above remuneration includes Salary, H.R.A., Exgratia, Leave Encashment availed and taxable perquisites.
3. The person named above at Sl.No.3 is not related to any of the Directors of the company.

For and on behalf of the  
Board of Directors

Kolkata  
Dated : 30th May, 2016

**A. K. Kothari**  
Chairman & Managing Director  
**DIN : 00051900**

## ALBERT DAVID LIMITED

(CIN : L51109WB1938PLC009490)

Registered Office : 15, Chittaranjan Avenue, Kolkata - 700072

Tel : 033-2212-9700, 9637, 9592, Fax : 033-2225-8714

Email : [adidavid@dataone.in](mailto:adidavid@dataone.in)

Website : [www.albertdavidindia.com](http://www.albertdavidindia.com)

## Management Discussion and Analysis

### FINANCIAL PERFORMANCE

The details of the financial performance of the company are appearing in the Balance sheet, Statement of Profit & Loss along with other financial statement. Highlights are as under :-

	(Rs. In Lacs) 2016	(Rs. in Lacs) 2015
Net Sales	32123.52	32086.28
Other Operating Revenue (Net)	95.37	91.53
Earning before interest, depreciation, tax & amortization	3105.46	3658.38
Other Income	196.61	179.59
Gross Profit	3120.98	3568.35
Profit before exceptional item & tax	2221.11	2026.89
Exceptional Item	4080.75	—
Profit after tax	4799.59	1370.03

### INDUSTRY STRUCTURE & DEVELOPMENTS :

The 96000+ crores Indian Pharma market continues to face hardships and uncertainties. The Government Policies viz. DPCO, FDC Ban, Janaushadhi Scheme etc. are adversely impacting the profits and operations of the Industry.

National List of Essential Medicines (NLEM), 2015 has further brought new molecules under price control which alongwith a negative WPI may translate into a challenge in the current financial year.

The Regulatory Authorities have issued a Gazette Notification banning 434 fixed dose combinations, thus putting around 6000-7000 crores of business into uncertainty. The IDMA, FOPE and major pharmaceutical companies have appealed in the Court against this notification.

The Year 2015-2016 can be summarized as a year of turbulence and ambiguity.

The Year of 2016-2017 will be very challenging as the competition will grow more fierce in this highly regulated market.

### OUTLOOK

The company has initiated major steps towards increasing the market share. We will adapt the focus approach and aim to build mini & mega brands. Our strategy will be to substantially increase customer reach, introduce new products and enter into new therapeutic segments which will propel the growth.

### OPPORTUNITIES AND THREATS

India is now among the top five pharmaceutical markets. The Indian pharma industry is growing at a compound annual growth rate of more than 13.5% over the last five years and the market is expected to expand in rural market more in comparison to urban market.

## RISK & CONCERN

Companies not having strong R&D facilities and not capable of developing new molecules shall be in disadvantageous position. Growing control over the Indian pharmaceutical market by MNCs can undermine access to affordable medicines which needs to be addressed by the Government.

Rising cost of inputs and falling margins are area of concern. Regulatory restriction/Price Control from Govt. of India is also concern for pharma industry.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control system of the Company are adequate and transparent commensurate with the size of the Company. It is based on laid down policies, guidelines, authentications and approved procedures. The reputed firms of Chartered Accountants carries out audit throughout the year . The Internal Audit Report, the progress in implementation contained in the audit report and adequacy of internal controls are reviewed by Audit Committee of the Board on regular basis.

## HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

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

## SEGMENT-WISE PERFORMANCE

Performance of the Company are not segmentable in business or geographical term for reason referred to in Note No.28.4 of the Financial Statement.

## 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 the cropping up of unforeseen predicaments in the sphere of Government policies, local, political and economic development, risk inherent to the Company and such other factors.

For and on behalf of the  
Board of Directors

Kolkata  
Dated : 30th May, 2016

**A. K. Kothari**  
Chairman & Managing Director  
DIN : 00051900

**ALBERT DAVID LIMITED**

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## Corporate Governance

The following is report on the implementation of the Code on Corporate Governance by your Company.

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

Your Company stands by its commitment to best governance practices in letter and spirit laying emphasis on transparency, accountability and compliances so as to exemplify it among standard bearers of corporate ethics in terms of modern ethos of corporate culture and responsibility conferred on it under fresh dispensations.

The Board plays pivotal role in ensuring how the management serves the short and long term interests of shareholders and other stakeholders in the face of rapid metamorphosis in socio-economic scenario under influence of forces- domestic and international. Board keeps its governance practices under continuous review and benchmark them to the best practices across the globe.

### 2. BOARD OF DIRECTORS (BOARD)

#### Composition

The composition of the Board of Directors is in conformity with Regulation 17 of the SEBI's (Listing Obligation and Disclosure Requirement) Regulation 2015 (LODR). As at 31st March, 2016, the Board consisted of eight members comprising :

- One Chairman & Managing Director ;
- One Executive Director ;
- Five Non Executive Independent Directors ;
- One Non-Executive Non Independent Director.

The composition and category of the Board are as follows:

Sl. No.	Name	Designation	Category
1	Mr. Arun Kumar Kothari	Chairman & Managing Director	Executive Director
2	Mr. Kamal Prasad Mundhra	Executive Director	Executive Director
3	Smt. Prabhawati Devi Kothari	Director	Non Executive Non Independent
4	Mr. Hemal Kampani	Director	Non Executive Independent
5	Mr. Rajiv Singhi	Director	Non Executive Independent
6	Dr. Amal Kumar Bhattacharya	Director	Non Executive Independent
7	Dr. Karunamay Lahiri	Director	Non Executive Independent
8	Mr. Arindam Sarkar	Director	Non Executive Independent

### Board Meetings & Procedure

The Board ensures that the Company's reporting and disclosure practices meet the highest standards of Corporate Governance and that the business practices followed by the Company are oriented towards meeting obligations towards various stakeholders and enhancing shareholders value.

The Board meets at regular intervals to discuss and decide on, inter alia, Company's business policies and strategies. The Agenda of the meeting is circulated well in advance to the Board members backed by comprehensive background information to enable them to take appropriate decisions. In addition to the information required under SEBI's (Listing Obligations & Disclosure Requirement) Regulation, 2015, the Board is also kept informed of major events/items and approvals taken wherever necessary.

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

During the financial year ended 31st March, 2016 seven Board Meetings were held. Details of board meetings held during the financial year and the number of Directors present are listed below :

Sl. No.	Date of Board Meeting	Total strength of the Board	No. of directors present
1.	May 28, 2015	8	7
2.	August 12, 2015	8	8
3.	November 14, 2015	8	8
4.	January 27, 2016	8	6
5.	February 10, 2016	8	8
6.	March 14, 2016	8	4
7.	March 28, 2016	8	3

The maximum time gap between any two meetings was less than four months as stipulated under Clause 17 of SEBI's (Listing Obligation & Disclosure Requirement) Regulation, 2015.

Attendance at aforesaid Board Meetings, at the last Annual General Meeting and the number of Directorships and Committee Chairmanship/Memberships in other Companies of each of the Directors as on 31st March, 2016 are below :

Name of Director	Board meeting attended during the year	Attendance at the last AGM	Number of other Directorships and Committee Membership/Chairmanship as on 31 <sup>st</sup> March, 2016		
			Other Directorship*	Committee Membership**	Committee Chairmanship
Mr. A. K. Kothari	6	Yes	5	3	—
Mr. K. P. Mundhra	5	Yes	1	—	—
Mr. H. Kampani	7	Yes	2	1	—
Mr. Rajiv Singhi	6	Yes	2	1	—
Smt. P. D. Kothari	6	Yes	4	2	—
Dr. A. K. Bhattacharya	4	Yes	—	—	—
Dr. K. Lahiri	4	Yes	—	—	—
Mr. Arindam Sarkar	6	Yes	1	—	—

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

\*\* Includes only membership of Audit Committee and Stakeholders' Relationship/Grievance Committee as per SEBI's (Listing Obligations & Disclosure Requirement) Regulation, 2015.

None of the Wholtime Directors are acting as Independent Director in more than three listed companies. Besides independent directors have been familiarised with their roles, rights and responsibilities through programme undertaken in this regard, details of which has been posted on the Company's website at [www.albertdavidindia.com](http://www.albertdavidindia.com) in adherence of Regulation 46(2)(1) of SEBI (LODR) Regulation, 2015.

None of the Directors on the Board is a Member of more than 10 Board-level Committees or Chairman of more than 5 such Committees as specified in SEBI's (Listing Obligations & Disclosure Requirement) Regulation, 2015, across all the companies in which he/she is a Director.

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

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

#### Information placed before Board of Directors

The Company has complied with Part-A of Schedule-II of SEBI (LODR) Regulation 2015 read with regulation 17(7) of the said regulations with regard to information being placed before the Board of Directors.

#### Meeting of Independent Directors

During the financial year ended 31st March, 2016, one meeting of Independent Directors was held on 10th February, 2016 which was attended by Mr. Rajiv Singhi, Mr. Hemal Kampani, Dr. A. K. Bhattacharya, Dr. K. Lahiri and Mr. Arindam Sarkar, i.e., all Independent Directors, to discuss, inter-alia :

- Evaluation of the Performance of the Non-Independent Directors and Board of Directors as a whole;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to perform its duties effectively and reasonably.

### 3. COMMITTEES OF THE BOARD

The Board Committees have been constituted to review/deal with specific areas and activities, relevant Committee is meant for. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles including roles mandated under SEBI's (Listing Obligations & Requirement) Regulation, 2015 which are to be performed by members of the Board as a part of good governance practice. The minutes of the meetings of all the Committees are placed before the Board for review.

#### A) Audit Committee

##### Composition

As on 31st March, 2016, the Committee consists of 4 Directors, all endowed with years of experience in the field of operations, finance and accounts. The Committee comprises of :

Sl. No.	Name	Category	Designation
1	Mr. Rajiv Singhi	Non Executive Independent	Chairman
2	Mr. Hemal Kampani	Non Executive Independent	Member
3	Dr. K. Lahiri	Non Executive Independent	Member
4	Mr. A. K. Kothari	Chairman & Managing Director	Member

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

The Committee's composition and its terms of reference meet the requirements of Section 177 of the Companies Act, 2013 and SEBI's (Listing Obligations & Disclosure Requirement) Regulation, 2015.

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

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

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment, remuneration, terms of appointment and, if required, the replacement or removal of the auditors and fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included 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 any 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 utilisation 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 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 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 in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.



19. To review the functioning of the Whistle Blower mechanism.
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### Meetings and Attendance during the year

During the financial year ended 31st March, 2016, the Committee met four times on 26th May, 2015, 12th August, 2015, 14th November, 2015 and 10th February, 2016.

The gap between any two meetings did not exceed 120 days complying with the Companies Act, 2013 and provisions of SEBI (LODR) Regulations.

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

Name of the Member	No. of meetings held	No. of meetings attended
Mr. Rajiv Singhi	4	4
Mr. A. K. Kothari	4	4
Mr. Hemal Kampani	4	4
Dr. K. Lahiri	4	3

#### B) Stakeholders Relationship/Grievance Committee

##### Composition

As on 31<sup>st</sup> March 2016, the Committee comprises of :

Sl. No.	Name	Category	Designation
1	Mr. Hemal Kampani	Non Executive Independent	Chairman
2	Mr. A. K. Kothari	Chairman & Managing Director	Member
3	Smt. P. D. Kothari	Non-Executive Non-Independent	Member
4	Mr. K. P. Mundhra	Executive Director	Member

The composition and the terms of reference of the Committee meet with the requirements of SEBI's (Listing Obligations & Disclosure Requirement) Regulation, 2015 and provisions of the Companies Act, 2013. The Company Secretary acts as Secretary to the Committee.

The Committee looks into Share transfer, reviews shareholders'/investors' complaints and resolution thereof.

##### Meetings and attendance during the year

During the financial year ended 31st March, 2016, the Committee met four times on 28th May, 2015, 12th August, 2015, 14th November, 2015 and 10th February, 2016.

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

Name of the Member	No. of meetings held	No. of meetings attended
Mr. Hemal Kampani	4	4
Mr. A. K. Kothari	4	4
Smt. P. D. Kothari	4	4
Mr. K. P. Mundhra	4	4

The details of complaints resolved during the year ended March 31, 2016 are as follows :

Nature of complaints	Received	Resolved	Closing
Annual Report related	1	1	—

No application for share transfer was pending for more than 30 days on 31st March, 2016.

**The name, designation and address of Compliance Officer of the Company is as under :**

Name and Designation	Indrajit Dhar, Associate Vice President (Accounts & Taxation)-cum-Company Secretary
Address	15, Chittaranjan Avenue, Kolkata-700072
Contacts	033-2212-9700/9637/9592
E-mail	id@adlindia.in

### C) Corporate Social Responsibility Committee

#### Composition

The Corporate Social Responsibility (CSR) Committee was constituted by the Board in its Meeting held on 27th May, 2014 in accordance with the requirements of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

**Terms of Reference of the Committee, inter alia, includes the following :**

- To formulate and recommend to the Board, a Corporate Social Responsibility ("CSR") Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule-VII of the Act;
- To recommend the amount of expenditure to be incurred on the CSR activities in a financial year;
- To monitor the CSR Policy of the Company from time to time;
- To monitor implementation of the CSR projects or programs or activities undertaken by the Company;
- To look into any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.
- To carry any other function mandated by Board, any statutory notification including amendment or modification therein from time to time as may be necessary or appropriate for performance of its duties.
- The members of the Committee may invite any of Executives, Advisors, Representatives of Social Organisations, Auditors of the Company as it considers necessary to attend the meeting.

The Committee comprises of :

Sl. No.	Name	Category	Designation
1	Mr. A. K. Kothari	Chairman & Managing Director	Chairman
2	Mr. K. P. Mundhra	Executive Director	Member
3	Dr. K. Lahiri	Non-Executive Independent	Member

The composition and the terms of reference of the Committee meet with the requirements of SEBI's (Listing Obligations & Disclosure Requirement) Regulation, 2015 and provisions of section 135 of the Companies Act, 2013 and rules framed thereunder.

The Secretary of the Company acts as the Secretary to the Committee.

#### Meetings and attendance during the year

During the financial year ended 31st March, 2016, one meeting of the Committee was held on 10th February, 2016.

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

Name of the Member	No. of meetings held	No. of meetings attended
Mr. A. K. Kothari	1	1
Mr. K. P. Mundhra	1	1
Dr. K. Lahiri	1	1

#### D) Nomination and Remuneration Committee

##### Composition

As on 31<sup>st</sup> March 2016, the Committee comprises of :

Sl. No.	Name	Category	Designation
1	Mr. Rajiv Singhi	Non Executive Independent	Chairman
2	Mr. Hemal Kampani	Non Executive Independent	Member
3	Mr. A. K. Kothari	Chairman & Managing Director	Member
4	Smt. P. D. Kothari	Non Executive Non-Independent	Member

The composition and the terms of reference of the Committee meet with the requirements of SEBI's (Listing Obligations & Disclosure Requirement) Regulation, 2015 and provisions of section 178 of the Companies Act, 2013 including rules framed thereunder.

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

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal;
- To formulate criteria for and carry out evaluation of Independent Directors and the Board;
- To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- To device a policy on Board diversity;

To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification or modification as may be applicable;

##### Meetings and attendance during the year

During the financial year ended 31st March, 2016, two meetings of the Committee was held on 10th February, 2016 and 28th March, 2016.

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

Name of the Member	No. of meetings held	No. of meetings attended
Mr. Rajiv Singhi	2	2
Mr. Hemal Kampani	2	2
Mr. A. K. Kothari	2	2
Smt. P. D. Kothari	2	1

### Remuneration policy

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

The Remuneration Policy of the Company is attached as **Annexure-5** to the Board's Report.

### Details of Remuneration to all Directors :

The details of remuneration paid to the Directors for the year ended 31st March, 2016 are as under :-

(Figures in Rupees)

Name	Designation	Salary	Perquisites	Sitting Fee	Total
Mr. A. K. Kothari	Chairman & Managing Director	7260000.00	1194200.00	—	8454200.00*
Mr. K. P. Mundhra	Executive Director	7200000.00	1757958.00	—	8957958.00*
Mr. H. Kampani	Director	—	—	90000.00	90000.00
Mr. R. Singhi	- Do -	—	—	65000.00	65000.00
Smt. P. D. Kothari	- Do -	—	—	55000.00	55000.00
Dr. A. K. Bhattacharya	- Do -	—	—	25000.00	25000.00
Dr. K. Lahiri	- Do -	—	—	45000.00	45000.00
Mr. Arindam Sarkar	- Do -	—	—	35000.00	35000.00

\* Excluding Provision for encashable leave and gratuity. Perquisites include only taxable perquisites.

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

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

(a) Mr. A. K. Kothari	Salary	Rs. 72,60,000/-
	Exgratia	Rs. 8,400/-
	House Rent Allowance	Rs. 5,80,800/-
	Leave encashment	Rs. 6,05,000/-
(b) Mr. K. P. Mundhra	Salary	Rs. 72,00,000/-
	Exgratia	Rs. 8400/-
	House Rent Allowance	Rs. 5,76,000/-
	Leave Encashment	Rs. 6,00,000/-
	Car Expenses (taxable)	Rs. 32,400/-
	Medical Reimbursement (taxable)	Rs. 5,41,158/-
(c) Other Directors	Only fees for attending Directors' Meeting as mentioned above.	

- (ii) Details of fixed component and performance linked incentives alongwith performance criteria – as mentioned above

- (iii) Service contract, notice period, severance fees of Mr. A. K. Kothari & Mr. K. P. Mundhra are as under :

Period of Contract	From 1-4-2014 to 31-3-2016
Notice Period	Three months notice
Severance Fees	None

- (iv) Stock Option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable – Not Applicable

**Shares held by Non-Executive Directors**

The table below gives details of shares held by the Non-executive Directors as on 31<sup>st</sup> March 2016 :

Name of the Directors	Category	No. of shares
Smt. P. D. Kothari	Non-Executive Non-Independent	12500
Mr. Rajiv Singhi	Non-Executive Independent	—
Mr. Hemal Kampani	Non-Executive Independent	—
Dr. Amal Kumar Bhattacharya	Non-Executive Independent	—
Dr. Karunamay Lahiri	Non-Executive Independent	—
Mr. Arindam Sarkar	Non-Executive Independent	—

**Performance Evaluation of Directors**

In compliance with the provisions of the Listing Regulations 2015, the Nomination and Remuneration Committee on the basis of the Board Evaluation policy and framework adopted by the Board contemplated by the evaluation process of the Independent Directors Evaluation criteria formulated for the Independent Directors are broadly based on :

- Leadership & stewardship abilities
- contributing to clearly defined corporate objectives & plans
- Performance of duties and level of insight; and
- Professional conduct and independence

**4. GENERAL BODY MEETINGS**

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

Financial Year	Date of AGM	Venue	Time
2014-2015 (76th AGM)	08.09.2015	Gyan Manch, 11, Pretoria Street, Kolkata-700071	11.30 A.M.
2013-2014 (75th AGM)	07.08.2014	Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata - 700 001	12.30 P.M.
2012-2013 (74th AGM)	07.08.2013	Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata - 700 001	11.30 A.M.

**Particulars of Special resolutions passed :**

Two special resolutions were passed in Annual General Meeting held on 8th September, 2015 :

- for continuation of employment of Mr. K. P. Mundhra, Executive Director beyond the age of 70 years and fixation of his remuneration for the period from 01.04.2015 to 31.03.2016;
- for fixation of remuneration of Mr. A. K. Kothari, Chairman & Managing Director for the period from 01.04.2015 to 31.03.2016.

Four special resolutions were passed in Annual General Meeting held on 7th August, 2014 :

- to reappoint Chairman & Managing Director of the Company from 1st April, 2014 to 31st March, 2016 and fix the remuneration;
- to reappoint Executive Director from 1st April, 2014 to 31st March, 2016 and fix the remuneration;
- to give consent of the Company empowering Board of Directors to borrow upto a limit of Rs.250.00 crores (apart from temporary loan obtained/to be obtained from Company's banker in the ordinary course of business);
- to give consent of the Company authorising Board of Director to invite/accept/ renew deposits from the members of the company.

Two special resolutions were passed in Annual General Meeting held on 7th August, 2013 to increase remuneration of Chairman & Managing Director and Executive Director of the Company from 1st April, 2013 to 31st March, 2014.

No special resolution was passed in the last year through postal ballot.

There is no proposal as on date to pass any special resolution through postal ballot.

## 5. DISCLOSURES

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

None of the transactions with any of the related parties were in conflict with the interest of the Company. Details of related party relationships and transactions are disclosed in Note No. 28.2 of "other notes to Financial Statements" for the year ended 31st March, 2016. Details of related party transactions were periodically placed before the Audit Committee. The Company has formulated a 'Related Party Transaction Policy' for identification of related parties, 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 'Related Party Transaction Policy' has been put up on the website of the company at [www.albertdavidindia.com](http://www.albertdavidindia.com)

### **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 has been imposed by 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 as required under Section 177 of the Companies Act, 2013 and SEBI's (Listing Obligations & Disclosure Requirement) Regulation, 2015. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The said policy may be referred to, at the Company's website at [www.albertdavidindia.com](http://www.albertdavidindia.com)

None of the officials/personnel of the Company has been denied access to the Audit Committee. No complain has been received during the financial year ended 31<sup>st</sup> March, 2016.

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

The Company has complied with and adopted the mandatory requirements stipulated in SEBI's (Listing Obligations & Disclosure Requirement) Regulation, 2015.

Clause C of Schedule II Part E relating to status of qualification free audit report of non-mandatory requirement of SEBI's (Listing Obligations & Disclosure Requirement) Regulation, 2015 have been adopted.

### **Disclosure of Accounting Treatment**

In the preparation of the financial Statement, the Company has followed the 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. The Company is not dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging activities are not applicable.

### **Management discussion and analysis report**

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

## 6. PARTICULARS OF APPOINTMENT/RE-APPOINTMENT OF DIRECTORS FORM PART OF THE NOTICE CONVENING THE 77TH ANNUAL GENERAL MEETING.

## 7. MEANS OF COMMUNICATION

- The half-yearly/quarterly financial results published in the proforma prescribed under the SEBI's (Listing Obligations & Disclosure Requirement) Regulation, 2015 are approved by the Board of Directors and thereafter intimated to the Stock Exchanges and also published in the newspapers generally in Economic Times in English and in Aajkal in Bengali.
- The results are also displayed on the Company's website [www.albertdavidindia.com](http://www.albertdavidindia.com) shortly after its submission to Stock Exchange.
- During the year under review, the Company did not make any presentation to institutional investors or to analysts.

## 8. SEBI PREVENTION OF INSIDER TRADING

With SEBI imposing the responsibility on "Prohibition of Insider Trading" on the Organisations, the Board has re-designed a Code of Conduct in accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulation 2015. The Code, besides other relevant matters, prohibits an insider from dealing in the shares of the Company while in possession of the unpublished price sensitive information in relation to the Company.

During the time of declaration of results, Dividend and other material events, the trading window is closed as per the Code.

Till date, there have been no violations on this front.

## 9. GENERAL SHAREHOLDER INFORMATION

<b>Date, time and venue of the Annual General Meeting</b>	At Science City, JBS Haldane Avenue, Kolkata-700046 on Wednesday, the 14th September, 2016 at 11:00 a.m.
<b>Financial Calendar 2016-2017</b> (tentative and subject to change)	<ul style="list-style-type: none"> <li>▣ <b>Financial Year</b> : April to March</li> <li>▣ <b>First Quarter Results</b> : By 2nd week of August, 2016</li> <li>▣ <b>Half Yearly Results</b> : By 2nd week November, 2016</li> <li>▣ <b>Third Quarter Results</b> : By 2nd week of February, 2017</li> <li>▣ <b>Audited Results for the year ending 31st March, 2017</b> : Last week of May, 2017</li> </ul>
<b>Date of Book Closure</b>	Tuesday the 6th September, 2016 to Thursday the 8th September, 2016, both days inclusive.
<b>Dividend Payment Date</b>	Interim Dividend already paid.
<b>Listing on Stock Exchanges</b>	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400023 Listing fees for the year 2015-2016 have been paid to the above Stock Exchange.
<b>Stock Code</b>	Demat : INE155C01010 BSE Limited : 524075

## 10. MARKET PRICE DATA

Month	Stock Price at BSE Limited		BSE Limited SENSEX	
	High (Rs.)	Low (Rs.)	High	Low
April, 2015	404.30	273.10	29094.61	26897.54
May, 2015	358.00	290.00	28071.16	26423.99
June, 2015	323.00	275.60	27969.75	26307.07
July, 2015	377.00	292.00	28578.33	27416.39
August, 2015	369.00	266.40	28417.59	25298.42
September, 2015	316.00	267.00	26471.82	24833.54
October, 2015	339.00	305.00	27618.14	26168.71
November, 2015	428.70	293.20	26824.30	25451.42
December, 2015	436.50	366.50	26256.42	24867.73
January, 2016	426.50	340.00	26197.27	23839.76
February, 2016	380.00	238.20	25002.32	22494.61
March, 2016	323.80	245.00	25479.62	23133.18

Note :

The Company's shares are listed in BSE Limited. Performance of the Company's shares has been compared with broad based BSE Limited Sensex.

## 11. REGISTRAR AND SHARE TRANSFER AGENT

M/s. Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor, Kolkata - 700 001  
Tel. No. # 2243-5809/2243-5029  
Fax No. # 2248-4787  
E-Mail Id # mdpldc@yahoo.com

## 12. SHARE TRANSFER SYSTEM

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

## 13. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016

### Shareholding Pattern

Sl. No.	Category of Shareholder	No. of shares held	Percentage of shareholding
A	Shareholding of Indian Promoters/Directors	3475514	60.90
B	Public Shareholding	2231648	39.10
	1. Mutual Funds and UTI	900	0.02
	2. Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions/ Non-Government Institutions)	258676	4.53
	3. Private Corporate Bodies	273563	4.79
	4. Indian Public	1639924	28.74
	5. NRIs/OCBs	36636	0.64
	6. Others	21949	0.38
	Total (B)	2231648	39.10
	<b>TOTAL (A+B)</b>	<b>5707162</b>	<b>100.00</b>

### Distribution of Shareholding

Equity shares held	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
1-500	7555	92.54	761545	13.34
501-1000	341	4.18	269158	4.72
1001-2000	156	1.91	230786	4.04
2001-3000	38	0.47	96403	1.69
3001-4000	18	0.22	64459	1.13
4001-5000	11	0.13	50518	0.89
5001-10000	18	0.22	138629	2.43
10001 and above	27	0.33	4095664	71.76
<b>TOTAL :</b>	<b>8164</b>	<b>100.00</b>	<b>5707162</b>	<b>100.00</b>



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

The Company has entered into Agreements with both the Depositories registered under the Depositories Act, 1996, i.e. NSDL and CDSL to facilitate holding and trading in shares of the Company in dematerialised form in accordance with the provisions of the Depositories Act, 1996.

As per SEBI guidelines, equity shares of the Company are compulsorily traded in dematerialised form for all the investors with effect from 1st October, 2000. As on 31st March, 2016, 55,60,936 shares representing 97.44% of the total equity share capital of the Company were held in dematerialised form. The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL is INE155C01010.

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

##### **Conversion date and likely impact on equity**

None

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

- a) at Kolkata : 5/11, D. Gupta Lane, Kolkata-700050
- b) at Ghaziabad : B-12/13, Meerut Road, Industrial Area, Ghaziabad - 201003
- c) at Mandideep : Plot No.207, New Industrial Area No.2, Mandideep - 462046

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

Albert David Limited,  
Share Department  
15, Chittaranjan Avenue, 2nd Floor,  
Kolkata - 700 072  
Phone : 2212-9700/9637/9592  
Fax : 033-2225-8714  
E-Mail : 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 (LODR) Regulation, 2015, your Board has laid down and adopted the Code of Conduct for all its Members and Senior Management Personnel of the Company. A copy of the Code has been put on Company's Website.

A declaration signed by the Company's Chairman & Managing Director is published in this Report.

#### **19. CEO & CFO CERTIFICATION**

Pursuant to Regulation 17(8) of SEBI's (Listing Obligation & Requirement) Regulation, 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, 2016 and that to the best of our knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee that :

- (i) 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/-

**K. P. Mundhra**

Executive Director & CEO

For and on behalf of the  
Board of Directors

**A. K. Kothari**

Chairman & Managing Director  
DIN : 00051900

Kolkata

Dated : 30th May, 2016

## 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 and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's Website.

I confirm that the Company has in respect of the year ended March 31, 2016, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, Head-Commercial, Head-Marketing, Head-HR & Legal, Unit Heads, Departmental Heads and the Company Secretary as on March 31, 2016.

For Albert David Limited

Dated : 30th May, 2016

**A. K. Kothari**  
Chairman & Managing Director  
DIN : 00051900

## INDEPENDENT AUDITOR'S COMPLIANCE CERTIFICATE

### To the Members of Albert David Limited

1. We have examined the compliance of conditions of Corporate Governance by Albert David Limited, for the year ended 31st March, 2016, as stipulated in :

- Clause 49 (excluding Clause 49(VII)(E) of the Listing Agreements of the Company with stock exchange) for the period April 1, 2015 to November 30, 2015.
- Clause 49 (VII)(E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015.
- Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
- Regulations 17 to 27 (excluding regulation 23(4) and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company or ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **G. Basu & Co.**  
Chartered Accountants  
(Registration No.301174E)

Place : Kolkata  
Date : 30th May, 2016

**Subroto Lahiri**  
Partner  
(Membership No.051717)

## TEN YEAR FINANCIAL HIGHLIGHTS

	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2010-2011	2008-2009	2007-2008	2006-2007
SHARE CAPITAL	570.72	570.72	570.72	570.72	570.72	570.72	570.72	570.72	570.72	570.72
RESERVES & SURPLUS	13112.11	8711.49	8463.47	7540.01	6984.61	6520.25	5734.15	5006.22	4487.29	4140.46
NET WORTH	13682.83	9282.21	9034.19	8110.73	7555.33	7090.97	6304.87	5576.94	5058.01	4711.18
FIXED ASSETS (NET)	4945.18	5451.56	7005.67	7326.22	7545.90	7192.15	7721.82	7243.83	7309.39	5568.86
NON CURRENT INVESTMENTS	1650.10	1650.10	1650.10	0.02	0.02	0.02	1.02	1.02	1.02	1.02
NET CURRENT ASSETS	7619.88	3311.68	2605.72	2821.58	1241.13	5002.18	4607.38	4642.70	4095.58	3274.79
TOTAL CAPITAL EMPLOYED	14841.55	10949.54	11604.86	10433.89	11613.20	9594.77	12567.83	12093.89	11600.99	8920.37
SALES (NET)	32123.52	32086.28	28984.81	26238.60	22817.63	21748.88	20228.53	18366.90	15636.00	13887.89
EBITDA (OPERATING PROFIT)	3302.07	3658.38	3250.31	2560.82	2349.16	2782.45	2771.86	2377.73	2115.73	2076.16
EBTDA (GROSS PROFIT)	3120.98	3568.35	2951.79	2411.99	2101.42	2637.12	2476.43	2013.61	1865.88	1942.68
PBT (PROFIT BEFORE TAX)	6301.86*	2026.89	1846.06	1338.52	1123.85	1640.71	1571.60	1218.46	1192.57	1465.47
PAT (PROFIT AFTER TAX)	4799.59*	1370.03	1257.32	855.87	762.84	1084.58	1027.40	752.63	733.97	916.92
DIVIDEND %	55	55	50	45	45	45	45	35	30	30
EPS (EARNINGS PER EQUITY SHARE)(RS.)	84.10	24.01	22.03	15.00	13.37	19.00	18.00	13.19	12.86	16.07
NET WORTH PER EQUITY SHARE (RS.)	239.75	162.64	158.30	142.12	132.38	124.25	110.47	97.72	88.63	82.55

FIGURES FOR 2015-16, 2014-15, 2012-13 AND 2011-12 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)

# Independent Auditor's Report

To

The Members of ALBERT DAVID LTD.

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Albert David Limited ("the Company"), which comprise the balance sheet as at 31st March 2016, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## 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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of 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.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March'2016, and its profit and its cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-2 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31st March'2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March'2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. Our separate report on adequacy of internal financial control system and operating effectiveness of such controls is enclosed in Annexure-1.
3. 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, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28.1 to the financial statements.
  - b. The Company did not have any long-term contract including derivative contract which may lead to any foreseeable loss.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **G. Basu & Co.**  
Chartered Accountants  
(Registration No.301174E)

**S. Lahiri**  
Partner  
(Membership No.51717)

Place : Kolkata  
Date : 30th May, 2016

## **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")**

We have audited the internal financial controls over financial reporting of Albert David Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the 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.

#### **AUDITOR'S 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 the 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 financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit

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

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, 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 **G. Basu & Co.**  
Chartered Accountants  
(Registration No.301174E)

**S. Lahiri**  
Partner  
(Membership No.51717)

Place : Kolkata  
Date : 30th May, 2016



## ANNEXURE-2

## AUDITORS' REPORT AS PER THE COMPANIES (AUDITOR'S REPORT) ORDER'2016 :

1. 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.
2. 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.
3. The company has granted two unsecured loans, to one company, and another Party covered in the register maintained under section 189 of the Companies Act, 2013. Repayment of loan and interest thereon form part of loan arrangement which have been regularly complied with. There is no overdue principal or interest outstanding.
4. The Company has complied to the provisions of section 185 and 186 of the Companies Act, 2013 in respect to loans, investments, guarantees and securities.
5. The Company has accepted deposits from the shareholders within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified in due compliance of directives issued by RBI Provisions of section 73 & 76 of Companies Act, 2013 and rules framed thereunder.
6. 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.
7. 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, 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, 2016 for a period of more than six months from the date of becoming payable.
- b. The dues on account of Sales Tax, Income Tax, Excise Duty and cess disputed by the company and not being paid, vis-à-vis forums where such disputes are pending are mentioned below:-

Name of the Statute	Nature of dues	Amount Rs. in lacs	Period to which the amount relates	Forum where dispute is pending
<b>Sales Tax :</b>				
Central Sales Tax Act, 1956	Tax on Lease Rental	5.74	2002-2003	Calcutta High Court
Central Sales Tax Act, 1956	Tax on Lease Rental	1.52	2003-2004	- Do -
- Do -	- Do -	2.62	2005-2006	W.B. Com. Taxes Appealate & Revisional Board
West Bengal Vat Act, 2003	Vat on sample, dispute on sale & Purchase Tax	51.86	2009-2010	- Do -
- Do -	Dispute of sale and input tax credit	2.07	2011-2012	- Do -

Name of the Statute	Nature of dues	Amount Rs. in lacs	Period to which the amount relates	Forum where dispute is pending
<b><u>Income Tax :</u></b>				
Income Tax Act, 1961	Tax on disallowance of expenditure	0.20	1991-1992	Com. of Income Tax (Appeal)
- Do -	- Do -	6.95	1999-2000	Calcutta High Court
- Do -	Tax on disallowance of Depreciation	61.71	2012-2013	Com. of Income Tax (Appeal)
<b><u>Excise Duty :</u></b>				
Central Excise Act, 1944	Classification of Products	188.04	01.06.2003 to 28.02.2008	CESTAT
- Do -	Additional Levy of Duty and Valuation of Sample	0.99	13.06.1961 to 30.04.1962	Collector of Central Excise
- Do -	Valuation of Exports	2.84	08.01.2005 to 31.08.2007	CESTAT
- Do -	Duty on scrap	0.18	01.04.2003 to 31.03.2010	Com. of Central Excise (Appeal)
<b>Cess : Water (Prevention &amp; Control of Pollution) Cess Act, 1977</b>	Additional levy of Water Cess	23.41	05.01.1994 to 31.03.2016	Allahabad High Court

8. 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 any financial institutional borrowing during the year.
9. 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.
10. No fraud has been noticed or reported on or by the company during the year.
11. The managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V of the Act.
12. The Company is not a Nidhi Company, accordingly paragraph 3 (xii) of the Order is not applicable.
13. All the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of related parties transactions have been disclosed in the Financial Statements as required by the applicable accounting standard.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The Company has not entered into any non-cash transactions with directors.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **G. Basu & Co.**  
Chartered Accountants  
(Registration No.301174E)

Place : Kolkata  
Date : 30th May, 2016

**S. Lahiri**  
Partner  
(Membership No.51717)

## STATEMENT OF ACCOUNTS

# BALANCE SHEET as at 31st March, 2016

		( Rs in Lacs )	
		As at 31st March, 2016	As at 31st March, 2015
<b>I</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1.</b>	<b>Shareholders' Funds :</b>		
(a)	Share Capital	570.72	570.72
(b)	Reserves and Surplus	13,112.11	8,711.49
		<u>13,682.83</u>	<u>9,282.21</u>
<b>2.</b>	<b>Non-Current Liabilities</b>		
(a)	Long-term borrowings	—	600.00
(c)	Other Long-term Liabilities	436.17	416.48
(d)	Long-term Provisions	722.55	650.85
		<u>1,158.72</u>	<u>1,667.33</u>
<b>3.</b>	<b>Current Liabilities</b>		
(a)	Short-term borrowings	2,022.73	2,210.22
(b)	Trade payables		
(i)	Total outstanding dues of micro enterprises and small enterprises	14.75	17.58
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	2,640.15	3,038.82
(c)	Other Current Liabilities	1,815.21	1,863.27
(d)	Short-term Provisions	1,049.84	1,265.87
		<u>7,542.68</u>	<u>8,395.76</u>
	<b>TOTAL</b>	<u>22,384.23</u>	<u>19,345.30</u>
<b>II.</b>	<b>ASSETS</b>		
<b>1.</b>	<b>Non-Current Assets</b>		
(a)	Fixed Assets :		
(i)	Tangible Assets	4,444.10	4,945.82
(ii)	Intangible Assets	0.01	1.50
(iii)	Capital Work-in-Progress :		
(A)	Tangible Assets	335.15	378.12
(B)	Intangible Assets under development	165.92	126.12
(b)	Non-Current Investments	1,650.10	1,650.10
(c)	Deferred Tax Assets (Net)	360.29	271.38
(d)	Long-term Loan and Advances	266.10	264.32
(e)	Other Non-Current Assets	—	0.50
		<u>7,221.67</u>	<u>7,637.86</u>
<b>2.</b>	<b>Current Assets</b>		
(a)	Current Investments	3,103.90	—
(b)	Inventories	4,854.45	5,213.65
(c)	Trade Receivables	3,546.03	4,107.86
(d)	Cash and Bank Balances	2,317.24	997.95
(e)	Short-term Loans and Advances	1,330.75	1,348.95
(f)	Other Current Assets	10.19	39.03
		<u>15,162.56</u>	<u>11,707.44</u>
	<b>TOTAL</b>	<u>22,384.23</u>	<u>19,345.30</u>

**Significant Accounting Policies :**

**'1'**

**Notes on Financial Statements :**

**'2' to '28'**

The Notes referred to above are an integral part of the financial statements.

As per our Report of even date attached		On behalf of the Board	
For <b>G. Basu &amp; Co.</b>	<b>S. C. SHAH</b>	<b>A. K. KOTHARI</b>	
Chartered Accountants	V.P. (Finance) & C.F.O.	Chairman & Managing Director	
Registration No. 301174E			
<b>Subroto Lahiri</b>	<b>INDRAJIT DHAR</b>	<b>K. P. MUNDHRA</b>	
Partner	Associate V.P.(Accts.&Tax.)	Executive Director	
(Membership No. 51717)	cum Company Secretary		
<b>Kolkata</b>			
<b>The 30th May, 2016</b>			

# STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2016

(Rs in Lacs)

PARTICULARS	NOTE NO.	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>INCOME</b>			
<b>I. Revenue from operations :</b>	<b>'20'</b>		
Sale of Products (Gross)		33,275.58	33,332.68
Other Operating Revenue		105.30	101.06
		<u>33,380.88</u>	<u>33,433.74</u>
Less: Excise Duty		1,152.06	1,246.40
Less: Excise Duty on Other Operating Revenue		9.93	9.53
<b>Revenue From Operations (Net)</b>		<u>32,218.89</u>	<u>32,177.81</u>
<b>II. Other Income</b>	<b>'21'</b>	196.61	179.59
<b>III. Total Income ( I + II )</b>		<u>32,415.50</u>	<u>32,357.40</u>
<b>IV. Expenses :</b>			
Cost of Materials Consumed	<b>'22'</b>	7,775.37	8,761.59
Purchases of Stock-in-Trade		2,619.64	2,618.76
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	<b>'23'</b>	1.42	(583.44)
Employee Benefits Expense	<b>'24'</b>	8,250.47	7,523.60
Finance Cost	<b>'25'</b>	181.09	269.62
Depreciation and Amortization Expense	<b>'10'</b>	899.87	1,541.46
Other Expenses	<b>'26'</b>	10,466.53	10,198.92
<b>Total Expenses :</b>		<u>30,194.39</u>	<u>30,330.51</u>
<b>V. Gross Profit ( III — IV )</b>		2,221.11	2,026.89
<b>VI. Exceptional Items (Net of Tax)</b>	<b>'27'</b>	4,080.75	—
<b>VII. Profit before Tax (V+VI)</b>		<u>6,301.86</u>	<u>2,026.89</u>
<b>VIII. Tax Expense :</b>			
(1) Current Tax		990.00	914.00
(2) Deferred Tax		(77.71)	(257.14)
(3) Income Tax for earlier years		589.98	—
<b>IX. Profit for the year ( VII — VIII )</b>		<u>4,799.59</u>	<u>1,370.03</u>
<b>X. Earning per Equity Share :</b>			
Basic and Diluted (Before and After Extra Ordinary item)		84.10	24.01
<b>Significant Accounting Policies :</b>	<b>'1'</b>		
<b>Notes on Financial Statements :</b>	<b>'2' to '28'</b>		

The Notes referred to above are an integral part of the financial statements.

As per our Report of even date attached

On behalf of the Board

For **G. Basu & Co.**  
Chartered Accountants  
Registration No. 301174E

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

**A. K. KOTHARI**  
Chairman & Managing Director

**Subroto Lahiri**  
Partner  
(Membership No. 51717)

**INDRAJIT DHAR**  
Associate V.P.(Accts.&Tax.)  
cum Company Secretary

**K. P. MUNDHRA**  
Executive Director

Kolkata  
The 30th May, 2016

## CASH-FLOW STATEMENT for the year ended 31st March, 2016

	Year ended 31st March 2016	Rs. in Lacs Year ended 31st March 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and exceptionally extra-ordinary items	2,221.11	2,026.89
Adjustment for :		
Depreciation and amortisation	899.87	1,541.46
Interest debited to Profit & Loss Account	164.97	269.62
Interest Received / Receivable	(21.96)	(22.58)
Loss on Sale of Fixed Assets	1.88	9.04
Profit on Sale of Fixed Assets	(4.22)	(7.49)
Dividend Received	(20.50)	(7.83)
Effect of Exchange Rate Change(Net)	6.83	2.16
Exceptional Item	5,304.64	0.00
Operating Profit before Working Capital changes	8,552.62	3,811.27
Adjustment for changes in working capital :		
– (Increase)/Decrease in trade and other receivables	594.38	137.60
– (Increase)/Decrease in loans & advances	98.84	(5.04)
– (Increase)/Decrease in inventories	359.20	(901.34)
– Increase/(decrease) in trade and other payables	(91.20)	465.96
Cash Generated from Operations	9,513.84	3,508.45
Direct Taxes Paid	(2,692.52)	(726.82)
Net Cash Flow from operating activities	6,821.32	2,781.63
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets(including Capital work-in-progress)	(573.79)	(969.56)
Sale/Discard of Fixed Assets	14.74	27.81
Interest Received	17.60	31.61
Purchase of Current Investments	(7,086.65)	(1,243.62)
Sale of Current Investments	3,858.39	1,242.26
Disbursement of Inter corporate Loan	(105.00)	400.00
Repayment of Inter corporate loan given	20.00	(400.00)
Refund of share application money	0.50	—
Dividend Received on Investments	20.50	7.83
Net Cash used in investing activities	(3,833.71)	(903.67)

	Year ended 31st March 2016	Rs. in Lacs Year ended 31st March 2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from short term borrowings	437.75	378.75
Repayment of long term borrowings	(800.00)	(621.00)
Repayment of short term borrowings	(625.25)	(957.25)
Interest Paid	(173.96)	(271.26)
Dividend Paid (including Tax on dividend )	(631.23)	(332.49)
Repayment of liabilities to Redeemable Preference shareholders	—	(3.79)
Net Cash used in financing activities	<u>(1,792.69)</u>	<u>(1,807.04)</u>
Net increase/(decrease) in Cash and Cash Equivalents	1,194.92	70.92
Opening Cash and Cash Equivalents	976.96	906.04
Closing Cash and Cash Equivalents	<u>2,171.88</u>	<u>976.96</u>
Closing Cash and Cash Equivalents consists of the following :		
Cash in Hand	13.01	13.54
Remittance in transit	33.25	31.52
Bank Balance with Schedule Banks :		
On Current Account(including unrealised Foreign currency gain Rs 17.60, Previous year Rs 4.77)	1,659.37	931.90
On Fixed Deposit Account	466.25	0.00
	<u>2,171.88</u>	<u>976.96</u>

**Notes :**

1. The above Cash Flow Statement has been prepared under Indirect Method set out in the Accounting Standard-3 on "Cash Flow Statement".
2. Figures in bracket indicate Cash outgo.
3. Previous periods figures have been regrouped and rearranged wherever necessary.

As per our Report of even date attached

On behalf of the Board

For **G. Basu & Co.**  
Chartered Accountants  
Registration No. 301174E

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

**A. K. KOTHARI**  
Chairman & Managing Director

**Subroto Lahiri**  
Partner  
(Membership No. 51717)

**INDRAJIT DHAR**  
Associate V.P.(Accts.&Tax.)  
cum Company Secretary

**K. P. MUNDHRA**  
Executive Director

**Kolkata**  
**The 30th May, 2016**

# Notes : Forming Part of the Financial Statements

## 1. SIGNIFICANT ACCOUNTING POLICIES :

### 1.1 Basis of Accounting :

The financial statements are prepared under the historical cost convention, on accrual basis of accounting, in accordance with the generally accepted accounting principles in India and the applicable Accounting Standards referred to under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

### 1.2 Use of Estimates :

The preparation of financial statements require use of estimates and assumptions to be made that affect reported amounts of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.

### 1.3 Fixed Assets :

Fixed Assets are stated at cost (net of cenvat credit) inclusive of installation, interest for construction period and other attributable expenses less accumulated depreciation/amortization thereon and impairment losses, if any.

### 1.4 Depreciation :

Depreciation is provided on "Straight Line Method" in terms of life span of assets prescribed in Schedule II of the Companies Act, 2013. Components relevant to fixed assets identified in terms of specified benchmark are separately depreciated based on their life span technically evaluated.

### 1.5 Inventories :

Inventories are valued at lower of cost and net realisable value i.e., estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

Cost formulae are as follows :

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 realisable value.

### 1.6 Retirement Benefits :

Liabilities in respect of retirement benefits to employees are provided as follows :

#### A. Defined Benefit Plan.

- (a) Leave Salary of employees on the basis of actuarial valuation as per AS 15 (Revised) under Projected Unit Credit method.
- (b) Gratuity obligation of employees, which is managed by Life Insurance Corporation of India, on the basis of actuarial valuation as per AS 15 (Revised) under Projected Unit Credit Method.

#### B. Defined Contribution Plans :

Provident Fund & E.S.I. on the basis of actual liability accrued and paid to authority.

### 1.7 Foreign Currency Transaction :

- (a) Year-end balance of foreign currency transactions is translated at the year-end rates and the corresponding effect is given in the respective accounts. Transactions completed during the year are accounted for at currency rate ruling on the date of transaction. Impact of exchange difference between the date of transaction and the date of payment thereon is recognised in the Profit and Loss Statement as exchange loss or gain.



## Notes : Forming Part of the Financial Statements

- (b) In respect of transactions covered by Forward Foreign Exchange Contracts, the difference between the forward rate and exchange rate at the inception of contract is recognised as income or expense over the life of the contract.

### 1.8 Recognition of Income & Expenditure :

- (a) Sales are recognised at the point of transfer of goods/title of goods. Export sales includes export incentive.
- (b) Purchases are recognised at the point of transfer of goods / title of goods. It includes all expenses incidental to procurement.
- (c) All Items of Income and Expenditure are recognised on accrual basis.
- (d) Unusual impact arising out of ordinary course of business is treated under exceptional head impact of loss and gain arising out of unforeseen predicaments has been treated under extraordinary head.

### 1.9 Research & Development :

- (a) Capital expenditure is included in Fixed Assets & Capital Work in Progress and depreciation is provided at the respective applicable rates.
- (b) Revenue Expenditure is charged off in the year in which they are incurred.

### 1.10 Investment :

Long term Investments are stated at cost net of provision against diminution if any in carrying cost of investment other than decline of temporary nature. Non Current investments are held at lower of cost and market price.

### 1.11 Contingent Liabilities and Provision :

Claims against the company not acknowledged as debts and under appeal for which no reliable estimate can be made of amount involved or which may not probably require an outflow of resources are not provided for in the accounts but disclosed by way of notes to accounts. However, disputed claims for which reliable estimate can be made for probable outflow of resources are recognised in accounts.

### 1.12 Taxes on Income :

Current Tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax liabilities and assets are recognised at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

### 1.13 Borrowing Cost :

Borrowing cost attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

### 1.14 Impairment of Fixed Assets.

The fixed assets and producing properties are reviewed for impairment on the basis of cash generating unit concept at each balance sheet date. Impairment loss being the excess of carrying cost of over recoverable value of assets, if any, is charged to the statement of profit & loss of the year in which assets of cash generating units are identified as impaired.

Reversal of impairment loss recognised in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

## Notes : Forming Part of the Financial Statements

	As at 31st March, 2016	( Rs in Lacs ) As at 31st March, 2015
<b>2. SHARE CAPITAL :</b>		
<b>Authorised :</b>		
97,00,000 Equity Shares of Rs.10/- each	970.00	970.00
30,000 Preference Shares of Rs.100/- each	30.00	30.00
	<u>1,000.00</u>	<u>1,000.00</u>
<b>Issued, Subscribed &amp; Paid-up :</b>		
57,07,162 Equity Shares of Rs.10/- each fully paid up	570.72	570.72
	<u>570.72</u>	<u>570.72</u>

### 2.1 Reconciliation of the shares outstanding at the beginning and at the end of year.

	As at 31st March, 2016	As at 31st March, 2015
	No of Shares	No of Shares
Number of share outstanding at the beginning of the year and at the close of the year	5,707,162	5,707,162
	Rs. in Lacs	Rs. in Lacs
	570.72	570.72

### 2.2 Terms/Rights attached to equity share

The company has issued only one class of equity shares having a face value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pay dividend in Indian rupees. The dividend proposal by the Board of Directors is subject to approval of the share holders in the ensuing Annual General Meeting. During the year ended 31st March 2016, amount per share of interim dividend recognized as distributions to equity shareholders was Rs. 5.50 (Previous Year Interim Dividend Rs. Nil). (Previous Year Final Dividend Rs. 5.50)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity shares held by share holders.

### 2.3 Details of Share holder holding more than 5% shares.

	As at 31st March, 2016	As at 31st March, 2015
Name of the Share Holder	Shares Held	Shares Held
Mr. Anand Vardhan Kothari	553,500	559,000
M/S Commercial House Private Limited	400,334	400,334
M/S Kothari & Co. Private Limited	398,341	398,341
M/S Kothari Investment & Industries Pvt. Ltd.	313,900	313,900
M/S M D Kothari & Company Limited	393,694	393,694
M/S Vishnuhari Investments & Prop. Ltd.	1,139,875	1,139,875
	% of Holding	% of Holding
	9.70	9.79
	7.01	7.01
	6.98	6.98
	5.50	5.50
	6.90	6.90
	19.97	19.97

## Notes : Forming Part of the Financial Statements

2.4 Share holders are entitled to voting right in proportion to holding.

2.5 Shares are ordinarily transferable provided :

- instrument of transfer is in form prescribed under the Act
- company does not have any lien on shares under transfer, and
- transferee has convert his consent pursuant to notice under section 56 of the Companies Act, 2013, issued by the company in respect of application of transfer of partly paid share is made by transferors.

( Rs in Lacs )

	As at 31st March, 2016	As at 31st March, 2015
<b>3. RESERVES AND SURPLUS :</b>		
<b>Capital Reserve :</b>		
As per last Balance Sheet	34.90	34.90
<b>Capital Redemption Reserve :</b>		
As per last Balance Sheet	8.45	8.45
<b>Securities Premium Account :</b>		
As per last Balance Sheet	314.72	314.72
<b>General Reserve :</b>		
Opening Balance :		
As per last Balance Sheet	7,781.84	7,576.06
Less : Fixed Assets adjusted for overaged assets (Net of Deferred Tax Assets Rs. Nil Previous year Rs. 383.21)	—	744.22
Add : Transfer from surplus balance in the statement of Profit & Loss	4000.00	950.00
Closing Balance	11,781.84	7,781.84
<b>Surplus in the statement of Profit and Loss</b>		
Balance at the beginning of the Year	571.58	529.34
Less: Fixed Assets adjusted for overaged assets (Net of Deferred Tax Assets Rs.11.20 Previous year Rs. Nil)	21.16	—
	550.42	529.34
Profit for the Year	4,799.59	1,370.03
Less : Allocation and Appropriation :		
Interim Dividend on equity share (Amount per share Rs.5.50, Previous year Rs. Nil)	313.91	—
Tax on Interim Dividend	63.90	—
Proposed Final Dividend on equity share (Amount per share Rs.Nil, Previous year Rs.5.50)	—	313.89
Tax on Proposed Dividend	—	63.90
Transfer to General Reserve	4,000.00	950.00
<b>Net Surplus in the statement of Profit &amp; Loss</b>	972.20	571.58
<b>Total Reserve and Surplus</b>	13,112.11	8,711.49

## Notes : Forming Part of the Financial Statements

( Rs in Lacs )				
	Non-current portion		Current maturities	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
<b>4. LONG-TERM BORROWINGS :</b>				
<b>TERM LOANS - SECURED :</b>				
Term Loan from State Bank of India :				
Rupee Loan	—	600.00	—	200.00
Total Borrowings	—	600.00	—	200.00
Less: Amount disclosed under other Current Liabilities (Refer Note No. 10)	—	—	—	200.00
	—	600.00	—	—

- 4.1** Term Loan from State Bank of India bearing interest @ 12.30 per annum on reducing balance is secured by :  
First charge on Fixed Assets acquired/ to be acquired by the company and second charge on entire current assets both existing and future.

### 5. OTHER LONG TERM LIABILITIES :

#### Deposit (Unsecured) :

Deposit (Cover Money) Stockist	436.17	416.48
	436.17	416.48

- 5.1** Deposit (Cover Money) from Stockist are retained with company till continuation of principle stockist relationship.

### 6. LONG & SHORT TERM PROVISIONS :

( Rs in Lacs )				
	Long - term		Short - term	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
<b>Provision for employee benefits :</b>				
For Gratuity	—	—	10.21	80.04
For Leave Salary	720.89	649.19	392.38	347.01
For Bonus	—	—	233.01	155.59
	720.89	649.19	635.60	582.64
<b>Others Provision :</b>				
For Income Tax (Net of Advance Tax Rs. 4440.75 Previous Year Rs. 2167.66)	—	—	414.24	305.44
For Proposed Equity Dividend	—	—	—	313.89
For Tax on Proposed Dividend	—	—	—	63.90
For Others	1.66	1.66	—	—
	1.66	1.66	414.24	683.23
	722.55	650.85	1,049.84	1,265.87

## Notes : Forming Part of the Financial Statements

	As at 31st March, 2016	As at 31st March, 2015
<b>7. SHORT-TERM BORROWINGS :</b>		
<b>SECURED LOANS :</b>		
<b>Working Capital Borrowings from State Bank of India :</b>		
Rupee Loan	1,584.98	1,957.79
Short Term loan from State Bank of India (Under Buyer's Credit arrangement in Foreign Currency)	—	252.43
<b>UNSECURED LOANS :</b>		
<b>(Other than bank)</b>		
Fixed Deposit from Shareholders	437.75	—
	<u>2,022.73</u>	<u>2,210.22</u>
<b>7.1</b> Borrowings from State Bank of India are secured by hypothecation of Inventories, Book Debts and other current assets and second charge on fixed assets of the company.		
<b>7.2</b> There is no default in payment of any short term borrowings or interests thereon.		
<b>7.3</b> No guarantee bond has been furnished against any loan by any source.		

## Notes : Forming Part of the Financial Statements

	As at 31st March, 2016	As at 31st March, 2015
<b>8. TRADE PAYABLE :</b>		
Acceptances	292.71	256.39
For Goods	1,009.02	1,543.91
For Services	1,353.17	1,256.10
	<u>2,654.90</u>	<u>3,056.40</u>
(i) Total outstanding dues of micro enterprises and small enterprises	14.75	17.58
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	<u>2,640.15</u>	<u>3,038.82</u>

**8.1** Refer Note No. 28.7 on outstanding dues to Micro and Small Enterprises

	As at 31st March, 2016	( Rs in Lacs ) As at 31st March, 2015
<b>9. OTHER CURRENT LIABILITIES :</b>		
<b>TRADE PAYABLE :</b>		
For Capital Expenditure	141.02	276.56
<b>Other Liabilities :</b>		
Current maturities of Long Term Debt (Refer Note No. 4.)	—	200.00
Interest accrued & due on borrowings	—	8.79
Interest accrued but not due on borrowings	—	0.20
Unpaid Dividend*	145.36	20.99
Unclaimed Matured Deposits and Interests accrued thereon	21.80	21.80
Advance from Customers	32.59	127.76
Statutory liabilities	437.69	330.15
Refundable Deposits	93.44	92.00
Employees related dues	943.31	785.02
	<u>1,815.21</u>	<u>1,863.27</u>

\* Not due for deposit to Investor Education and Protection Fund.

## Notes : Forming Part of the Financial Statements

### 10. FIXED ASSETS :

( Rs in Lacs )

Description	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	
	As at 1st April 2015	Additions During the Year	Deletions During the Year	As at 31st March 2016	As at 1st April 2015	For The Year	Deletions During the Year	Upto 31st March 2016	As at 31st March 2016	As at 31st March 2015
<b>TANGIBLE ASSETS :</b>										
Land	4.54	—	—	4.54	—	—	—	—	4.54	4.54
Leasehold Land	22.64	—	—	22.64	6.79	0.24	—	7.03	15.61	15.85
Buildings	2,547.21	93.36	—	2,640.57	824.06	135.37	—	959.43	1,681.14	1,723.15
R & D - Buildings	96.63	—	—	96.63	12.06	6.20	—	18.26	78.37	84.57
Plant and Equipment	12,059.89	242.04	34.08	12,267.85	9,845.30	596.35	34.08	10,407.57	1,860.28	2,214.59
R & D - Plant and Equipment	102.92	—	—	102.92	23.41	8.84	—	32.25	70.67	79.51
Tubewell	24.62	—	—	24.62	18.15	2.27	—	20.42	4.20	6.47
Lab. Equipment & Fittings	646.75	—	—	646.75	376.28	60.01	—	436.29	210.46	270.47
R & D Lab.Equipments & Fittings	50.12	33.04	—	83.16	3.51	6.17	—	9.68	73.48	46.61
Furniture & Fixtures	521.44	11.35	—	532.79	324.72	44.65	—	369.37	163.42	196.72
R & D - Furniture & Fixtures	62.51	—	—	62.51	13.25	7.04	—	20.29	42.22	49.26
Office Equipment	61.59	10.57	0.44	71.72	45.90	5.93	0.44	51.39	20.33	15.69
R & D - Office Equipment	1.02	—	—	1.02	0.40	0.32	—	0.72	0.30	0.62
Typewriter & Duplicator	1.98	—	—	1.98	1.97	—	—	1.97	0.01	0.01
Refrigerator / Air Conditioners	73.36	4.50	3.70	74.16	45.09	6.07	3.69	47.47	26.69	28.27
Vehicles	295.64	35.60	34.29	296.95	102.35	41.94	21.89	122.40	174.55	193.29
Computer	211.81	10.73	8.57	213.97	195.94	9.12	8.57	196.49	17.48	15.87
R & D - Computer	1.73	0.24	—	1.97	1.40	0.22	—	1.62	0.35	0.33
<b>Total (A) :</b>	16,786.40	441.43	81.08	17,146.75	11,840.58	930.74	68.67	12,702.65	4,444.10	4,945.82
Previous Year (C) :	16,236.90	900.17	350.67	16,786.40	9,494.78	2,667.13	321.33	11,840.58	4,945.82	
<b>INTANGIBLE ASSETS:</b>										
Softwares	4.16	—	—	4.16	2.66	1.49	—	4.15	0.01	1.50
<b>Total (B) :</b>	4.16	—	—	4.16	2.66	1.49	—	4.15	0.01	1.50
Previous Year (D) :	4.16	—	—	4.16	0.90	1.76	—	2.66	1.50	3.26
<b>Current Year Total (A+B) :</b>	<b>16,790.56</b>	<b>441.43</b>	<b>81.08</b>	<b>17,150.91</b>	<b>11,843.24</b>	<b>932.23</b>	<b>68.67</b>	<b>12,706.80</b>	<b>4,444.11</b>	<b>4,947.32</b>
Previous Year Total (C+D):	16,241.06	900.17	350.67	16,790.56	9,495.68	2,668.89	321.33	11,843.24	4,947.32	
<b>Capital Work-In-Progress :</b>										
<b>Tangible Assets</b>	378.12	336.06	379.03	335.15	—	—	—	—	335.15	378.12
Previous Year :	195.74	902.13	719.75	378.12	—	—	—	—	378.12	—
<b>Intangible Assets Under Development</b>	126.12	39.80	—	165.92	—	—	—	—	165.92	126.12
Previous Year :	64.55	61.57	—	126.12	—	—	—	—	126.12	

Less : Charged to Reserve and Surplus

32.36 (P.Y.) 1,127.43

: Charged to Statement of Profit & Loss Account

899.87 (P.Y.) 1,541.46

## Notes : Forming Part of the Financial Statements

	As at 31st March, 2016	( Rs in Lacs ) As at 31st March, 2015
<b>11. NON-CURRENT INVESTMENTS :</b>		
<b>Trade (Unquoted, at cost fully paid up) :</b>		
1642034 equity shares (previous year 1642034 equity shares) of Rs.2/- each Bharat Fritz Werner Limited	1,650.08	1,650.08
<b>Other than Trade (Unquoted, at cost fully paid up) :</b>		
Shiela Mahal Co-Operative Housing Society Limited (5 Nos Equity Shares of Rs.50/- each fully paid Previous year 5 Nos Equity Shares)	0.01	0.01
Mangal Karini Co-operative Society Limited (5 Nos Equity Shares of Rs.50/- each fully paid Previous year 5 Nos Equity Shares)	0.01	0.01
	<u>1,650.10</u>	<u>1,650.10</u>
Book Value of Unquoted Investments :	1,650.10	1,650.10
<b>12.</b>		
	As at 31st March, 2016	( Rs in Lacs ) As at 31st March, 2015
<b>DEFERRED TAX ASSETS (NET)</b>		
<b>Deferred Tax Liabilities :</b>		
Research & Development	91.85	88.69
	<u>91.85</u>	<u>88.69</u>
<b>Deferred Tax Assets :</b>		
Provision for Unencashed leave	385.27	337.91
Depreciation	56.40	3.55
Provision for Gratuity	—	4.56
Provision for Doubtful Debts & Advances	10.47	14.05
	<u>452.14</u>	<u>360.07</u>
<b>Deferred Tax Liabilities / (Assets) - Net</b>	<u>(360.29)</u>	<u>(271.38)</u>
Decretion/Accretion in Deferred Tax Assets	88.91	640.35
Debited/Credited to General Reserve / Surplus	11.20	383.21
Debited/Credited to Profit & Loss Account	<u>77.71</u>	<u>257.14</u>



## Notes : Forming Part of the Financial Statements

### 13. LOANS & ADVANCES : LONG TERM AND SHORT TERM

(Unsecured)

( Rs in Lacs )

	Non-current		Current	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
<b>Security Deposits :</b>				
Considered Good	249.43	238.74	—	—
Considered Doubtful	0.11	0.11	—	—
Less : Provision for Doubtful Deposits	(0.11)	(0.11)	—	—
<b>Tender Deposits :</b>				
Considered Good	—	—	62.45	56.05
Considered Doubtful	—	—	12.67	13.55
Less : Provision for Doubtful Deposits	—	—	(12.67)	(13.55)
<b>( A )</b>	<u>249.43</u>	<u>238.74</u>	<u>62.45</u>	<u>56.05</u>
<b>Other Advances</b>				
Considered Good	—	—	69.61	82.58
Considered Doubtful	—	—	0.45	0.45
Less : Provision for Doubtful Advance	—	—	(0.45)	(0.45)
<b>( B )</b>	<u>—</u>	<u>—</u>	<u>69.61</u>	<u>82.58</u>
<b>Other Loans and Advances (Considered Good )</b>				
Balances and Deposits with Statutory Authorities	7.58	11.33	968.03	1,061.64
Advance Income Tax (Net of Provision Rs.1508.21 P.Y. Rs.1891.46)	—	—	70.04	72.61
Loan to Related Party (Refer Note No. 28.2 and 28.13)	—	—	85.00	—
Prepaid Expenses	8.51	13.24	44.04	40.48
Loans to Employees *	0.58	1.01	31.58	35.59
<b>( C )</b>	<u>16.67</u>	<u>25.58</u>	<u>1,198.69</u>	<u>1,210.32</u>
<b>Total (A + B + C)</b>	<u>266.10</u>	<u>264.32</u>	<u>1,330.75</u>	<u>1,348.95</u>

13.1 \* Due from officers of the company Rs.3.33 (Previous year Rs.3.80)

### 14. OTHER NON-CURRENT ASSETS :

	As at 31st March, 2016	As at 31st March, 2015
Share Application Money (Madhya Pradesh Plastic Park Development Corporation Limited)	—	0.50
	<u>—</u>	<u>0.50</u>

### 15. CURRENT INVESTMENTS :

(Valued at lower of cost or fair market value, unless otherwise stated)

Investments in Mutual Funds (Unquoted)	Face Value	No. of Units		
BOI AXA Liquid Fund - Daily Dividend Plan	1000	4988.854	50.02	—
HDFC Liquid Fund - Daily Dividend Plan	1000	4906.635	50.04	—
S. B. I. Premier Liquid Fund - Daily Dividend Plan	1000	299410.942	3,003.84	—
			<u>3,103.90</u>	<u>—</u>
Aggregate Book Value of Unquoted Investments			3,103.90	

## Notes : Forming Part of the Financial Statements

	As at 31st March, 2016	( Rs in Lacs ) As at 31st March, 2015
<b>16. OTHER CURRENT ASSETS :</b>		
(CONSIDERED GOOD)		
Claim Receivables	0.49	33.70
Interest Receivable	9.70	5.33
	<u>10.19</u>	<u>39.03</u>
<b>17. INVENTORIES :</b>		
( Refer Note 1.5 for accounting policy for valuation )		
Raw Materials	956.96	808.34
Raw Materials in Transit	209.11	365.15
Containers & Packing Materials	612.32	765.60
Containers & Packing Materials in Transit	51.00	237.15
Work-in-Progress	339.58	447.44
Finished Goods	1,849.06	1,624.50
Finished Goods in Transit	0.13	—
Stock-in-Trade	320.73	441.03
Stock-in-Trade in Transit	8.14	6.09
Stores and Spares	500.56	511.49
Loose Tools	1.41	1.41
Scrap	5.45	5.45
	<u>4,854.45</u>	<u>5,213.65</u>
<b>18. TRADE RECEIVABLES :</b>		
Receivable outstanding for a period exceeding six months from the date they are due for payment :		
Unsecured Considered Good	117.71	240.37
Unsecured Considered Doubtful	17.02	34.43
Less : Provision for Doubtful Receivables	(17.02)	(34.43)
<b>Other Receivable</b>		
Secured Considered Good	180.93	163.27
Unsecured Considered Good	3,247.39	3,704.22
	<u>3,546.03</u>	<u>4,107.86</u>
<b>19. CASH AND BANK BALANCES :</b>		
<b>I. Cash and Cash Equivalents :</b>		
<b>Cash Balances :</b>		
Cash in Hand	13.01	13.54
<b>Balances with Banks :</b>		
Current Accounts	1,659.37	931.90
Fixed Deposits Account * (Maturing within 3 months)	466.25	—
Remittance in Transit	33.25	31.52
	<u>2,171.88</u>	<u>976.96</u>
<b>II. Other Bank Balances :</b>		
Unclaimed Dividend Account	145.36	20.99
	<u>2,317.24</u>	<u>997.95</u>

**19.1** \* Fixed Deposits includes Rs.66.25 Lacs (which had original maturity of more than 12 months since the date of deposit) were held to adhere to stipulation laid down under Companies (Acceptance of Deposits) Rules 2015 to the effect of retaining specified percentage of Deposit liability payable within one year.

## Notes : Forming Part of the Financial Statements

( Rs in Lacs )

Year ended  
31st March, 2016

Year ended  
31st March, 2015

### 20. REVENUE FORM OPERATIONS :

Sales of Products (Gross): ( Refer Note No.28.18 ) 33,275.58 33,332.68

#### Other Operating Reveunes :

Manufacturing & Other Scrap 105.30 101.06  
105.30 101.06

### 21. OTHER INCOME :

#### Interest Received :

From Banks 5.94 3.72

Other than Banks 16.02 18.86

Dividend on Investment - Current (Other than Trade) 12.29 1.26

Dividend on Investment - Non Current (Trade) 8.21 6.57

Profit on Sale of Fixed Assets 4.22 7.49

Exchange Gain (Net) 52.42 49.03

Excess Provision for Doubtful Debts written back 17.41 3.65

Excess Provision for Doubtful Advances written back 0.88 7.89

Liabilities Written Back 68.87 46.59

Guarantee Commission Received 0.87 0.87

Claim Receipts 6.91 31.51

Miscellaneous Receipts 2.57 2.15

196.61 179.59

### 22. COST OF MATERIALS CONSUMED :

(Refer Note No. 28.20)

#### Raw Materials Consumed :

Opening Stock 1,173.49 1,008.54

Add : Purchases during the year 4,118.66 4,526.19

5,292.15 5,534.73

Less : Closing Stock 1,166.07 1,173.49

4,126.08 4,361.24

#### Packing Materials Consumed :

Opening Stock 1,002.75 834.76

Add : Purchases during the year 3,309.86 4,568.34

4,312.61 5,403.10

Less : Closing Stock 663.32 1,002.75

3,649.29 4,400.35

7,775.37 8,761.59

## Notes : Forming Part of the Financial Statements

( Rs in Lacs )

Year ended  
31st March, 2016

Year ended  
31st March, 2015

### 23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE :

#### Opening Stock :

Finished Goods	1,624.50	1,143.80
Stock-in-Trade	447.12	395.40
Work in progress	447.44	396.42
	<u>2,519.06</u>	<u>1,935.62</u>

#### Closing Stock :

Finished Goods	1,849.19	1,624.50
Stock-in-Trade	328.87	447.12
Work in progress	339.58	447.44
	<u>2,517.64</u>	<u>2,519.06</u>
	<u>1.42</u>	<u>(583.44)</u>

### 24. EMPLOYEE BENEFITS EXPENSE :

Salaries, Wages & Bonus	6,724.98	6,188.04
Gratuity	272.51	156.68
Contribution to Provident & Other Funds	553.59	502.29
Staff Welfare Expenses	699.39	676.59
	<u>8,250.47</u>	<u>7,523.60</u>

### 25. FINANCE COSTS :

Interest Expenses	164.97	246.96
Other Borrowing Cost	14.50	12.27
Foreign Currency Loss	1.62	10.39
	<u>181.09</u>	<u>269.62</u>

## Notes : Forming Part of the Financial Statements

	Year ended 31st March, 2016	( Rs in Lacs ) Year ended 31st March, 2015
<b>26. OTHER EXPENSES :</b>		
<b>MANUFACTURING, ADMINISTRATIVE SELLING &amp; DISTRIBUTION EXPENSES :</b>		
Stores Consumed	197.56	253.00
Power & Fuel	1,619.85	1,572.15
Increase / (Decrease) in Excise Duty component of non duty paid finished goods	31.36	28.63
Carriage Inward	184.67	215.95
Rent	128.16	121.75
Rates & Taxes	15.22	16.65
Repairs & Renewals :		
Building	126.75	107.47
Plant & Machinery	469.92	433.06
Others	102.25	92.54
Insurance	87.86	85.51
Miscellaneous Expenses	165.57	57.48
Travelling, Conveyance & Vehicle Upkeep	178.78	195.46
Research & Development expenses ( Refer Note No.28.8 )	288.37	325.84
Quality Control & Assurance Expenses	66.04	68.51
Electricity	32.88	31.94
Bank Charges & Guarantee Commission	24.44	29.62
Communication Expenses	67.97	59.18
Printing & Stationery	49.94	47.44
Law Charges	8.62	15.31
Service Charges	660.39	689.34
Professional Service Charges	163.87	94.14
Donation	240.45	246.45
Processing Charges	94.29	104.09
Export Expenses	342.25	412.89
Field Personnel Expenses	1,693.47	1,411.96
Freight, Forwarding & Transportation	1,029.56	1,093.78
Sales Promotion Expenses	1,579.76	1,541.31
Commission	288.18	349.15
Cash Discount	282.03	259.05
Directors' Meeting Fees	3.15	2.40
Sales / Service / Turnover Tax	198.93	171.81
Corporate Social Responsibility Expenditure (Refer Note No. 28.15)	34.80	29.00
Bad Advances Written Off	—	7.28
Bad Debts Written Off	—	5.50
Provision for Doubtful Advances	—	1.29
Provision for Doubtful Receivables	—	5.67
Loss on Sales of Fixed Assets	1.88	9.04
Cost Audit Fees	0.40	0.42
Payment to the Auditors: (Net of Service Tax)		
Audit Fees	3.15	3.15
For Tax Audit Fees	0.37	0.37
For Certification	1.38	1.52
Out of Pocket Expenses	2.01	1.82
	<u>10,466.53</u>	<u>10,198.92</u>

## Notes : Forming Part of the Financial Statements

( Rs in Lacs )

	Year ended 31st March, 2016	Year ended 31st March, 2015
--	--------------------------------	--------------------------------

### 27. EXCEPTIONAL ITEM :

Consideration money of brand sold	5,500.00	—
Less : Sales-Advisory Expenses	195.36	—
Less : Tax Expenses	1,223.89	—
	<u>4,080.75</u>	<u>—</u>

## Notes : Forming Part of the Financial Statements

( Rs in Lacs )

As at  
31st March, 2016      As at  
31st March, 2015

### 28. OTHER NOTES TO FINANCIAL STATEMENTS :

#### 28.1 Contingent Liabilities and commitments :

##### a. To the extent not provided for :

A) Claims against the company not acknowledged as debt :		
i) Income Tax Matters	14.57	—
ii) Excise Matters	263.62	263.62
iii) Sales Tax Matters	69.77	69.77
iv) Others	154.26	106.24
B) Guarantees :		
Counter guarantees to Banks for performance against contracts.	204.70	300.77
Guarantee to Other for Export Obligation	—	97.05
Guarantee to Bank securing Corporate Loan given by bank to another company.	3500.00	3500.00
(Loan outstanding as on 31.03.2016 Rs.3445.16 Lacs, Previous Year Rs.3470.00 Lacs)		
C) Commitments :		
Estimated amount of contract remaining to be executed on capital account and not provided for :	1598.74	298.85
Bills Discounted	—	95.73

##### b. Disputed Liabilities provided for (Persuant to AS-29)

Nature of Liabilities	Opening provision	Closing provision	Forum where dispute is pending
Creditor for supply of packing material belonging to Micro & small category under MSMED Act, 2006.	1.66	1.66	Management

Note : Dispute relates to conflicting contention between Company and Supplier on delivery of goods. Neither any additional provision made during the year nor withdrawn. The provision has been made as a measure of abundant precaution. Possible outflow of fund, if matures, is expected in succeeding years.

## Notes : Forming Part of the Financial Statements

### 28.2 Related Party Disclosure :

Related Party disclosures as required under Accounting Standard-18 on "Related Party Disclosures" are given below:-

(a) Transaction with Related Parties during the Year.

Rs. in Lacs					
Nature of Transaction	Entities under significant influence of KMP	Key Management Personnel	Directors	Total	Outstanding 31.03.2016
Corporate Guarantee Commission Received	0.87 (0.87)	— (—)	— (—)	0.87 (0.87)	0.87 —
Dividend Received	8.21 (6.57)	— (—)	— (—)	8.21 (6.57)	— (—)
Corporate Counter Guarantee Commission paid	0.24 (0.97)	— (—)	— (—)	0.24 (0.97)	— (—)
<b>Investment :</b>					
Purchase of equity Share of Bharat Fritz Werner Ltd	— —	— (—)	— (—)	— —	1650.08 —
<b>Finance :</b>					
Loan taken	— (125.00)	— (—)	— (—)	— (125.00)	— (—)
Loan given	105.00 (—)	— (—)	— (—)	105.00 (—)	85.00 (—)
Interest received	3.27 (—)	— (—)	— (—)	3.27 (—)	— (—)
Interest paid	— (4.41)	— (—)	— (—)	— (4.41)	— (—)
Corporate Guarantee	— —	— (—)	— (—)	— —	3,500.00 —
Donation	135.00 (150.00)	— (—)	— (—)	135.00 (150.00)	— (—)
Remuneration to Key Managerial Personnel	— (—)	239.32 (208.48)	— (—)	239.32 (208.48)	— (—)
Directors Fees	— (—)	— (—)	3.15 (2.40)	3.15 (2.40)	— (—)

Figures in bracket relate to previous year

(b) Name of related parties in transaction with the company and description of relationship :

**Entities over which key management personnel or his / their relatives are able to exercise significant influence :**

Kothari & Co. Pvt. Ltd.  
Kothari Medical Centre.  
V C K Capital Market Services Ltd.  
Bharat Fritz Werner Ltd.  
Bhaktwatsal Investments Ltd.  
Kothary Charity Trust.  
Commercial House Pvt. Ltd.  
Kothari Investment & Industries Pvt. Ltd.

**Key Managerial Personnel :**

Sri A. K. Kothari	- Chairman & Managing Director.
Sri K. P. Mundhra	- Executive Director.
Sri S. C. Shah	- V.P. (Finance) & C.F.O.
Dr Indrajit Dhar	- Associate V.P. (Accts. & Tax.) cum Company Secretary



## Notes : Forming Part of the Financial Statements

### Directors:

Smt. P. D. Kothari  
Sri R. Singhi  
Sri H. Kampani  
Dr K. Lahiri  
Dr A. K. Bhattacharya  
Sri Arindam Sarkar

	Year ended 31st March, 2016	( Rs in Lacs ) Year ended 31st March, 2015
<b>28.3 Earning per share :</b>		
Profit after taxation computed as per statement of profit and loss (Before extra ordinary items)	4799.59	1370.03
Profit after taxation computed as per statement of profit and loss (After extra ordinary items)	4799.59	1370.03
Weighted average number of equity shares outstanding	5707162	5707162
Basic and diluted earnings per share in rupees (face value - Rs. 10 per share) (Before extra ordinary items)	84.10	24.01
Basic and diluted earnings per share in rupees (face value - Rs. 10 per share) (After extra ordinary items)	84.10	24.01

### 28.4 Segment Reporting :

Based on the guiding principles given in Accounting Standard on Segment Reporting (AS-17) the company's primary business Segment is Pharmaceuticals. As the Company's business activity falls within a single primary business segment based on clause - 5, AS-17 the disclosure requirements in this regard are not applicable.

Geographical segment reporting of the company is also not applicable as export to a country or group of countries having common socio-economics or marketing features does not constitute 10% of the turnover of the company.

### 28.5 Employee Benefits :

Details of employee benefits considered in these accounts in keeping with Accounting Standard 15 (Revised) prescribed by the Central Government under the Companies (Accounting Standards) Rules, 2006, (also refer note 1.6 of Significant Accounting Policies above).

- a. The company has recognized, in the statement of profit and loss for the year ended 31.03.2016, an amount of Rs.586.85 Lacs (Previous Year Rs.536.56 Lacs) expenses under defined contribution plans. Details given below :

	Year ended 31st March, 2016	( Rs in Lacs ) Year ended 31st March, 2015
Benefit (Contribution to )		
Provident Fund etc.	553.59	502.29
Employee's State Insurance Scheme	33.26	34.27

## Notes : Forming Part of the Financial Statements

- b. Particulars in respect of post retirement / other long term defined benefit plans of the Company are as follows:

Description	Rs.in lacs			
	Gratuity (Funded) Year ended 31st March, 2016	Gratuity (Funded) Year ended 31st March, 2015	Leave Salary (Unfunded) Year ended 31st March, 2016	Leave Salary (Unfunded) Year ended 31st March, 2015
<b>1. Reconciliation of opening and closing balances of obligation</b>				
a. Obligation at the beginning of the year	2,133.47	1,926.86	996.20	839.26
b. Current Service Cost	143.79	128.02	111.05	83.32
c. Interest Cost	185.20	167.49	84.61	75.71
d. Actuarial (gain)/loss	112.38	36.41	130.44	178.77
e. Benefits paid	(90.94)	(125.31)	(209.03)	(180.86)
f. Obligation at the end of the year	2,483.90	2,133.47	1,113.27	996.20
<b>2. Change in Plan Assets (Reconciliation of opening &amp; closing balances)</b>				
a. Fair Value of Plan assets at the beginning of the year	2,053.43	1,818.66	—	—
b. Expected return on plan assets	181.08	154.46	—	—
c. Actuarial gain / (loss)	(20.24)	15.82	—	—
d. Contributions by the employer	350.36	189.80	209.03	180.86
e. Benefits paid	(90.94)	(125.31)	(209.03)	(180.86)
f. Fair Value of Plan assets at the end of the year	2,473.69	2,053.43	—	—
<b>3. Reconciliation of fair value of plan assets and present value of defined benefit obligations :</b>				
a. Fair Value of Plan assets at the end of the year	2,473.69	2,053.43	—	—
b. Present value obligation at the end of the year	2,483.90	2,133.47	1,113.27	996.20
c. (Liabilities)/Assets recognized in the balance sheet	(10.21)	(80.04)	(1,113.27)	(996.20)
<b>4. Expenses recognized in the year</b>				
a. Current Service Cost	143.79	128.02	111.05	83.32
b. Interest Cost	185.20	167.49	84.61	75.71
c. Expected return on plan assets (gain)/loss	(181.08)	(154.46)	—	—
d. Actuarial (gain)/loss	132.62	20.59	130.44	178.77
e. Expense recognized in the period ( a+b+c+d )*	280.53	161.64	326.10	337.80
* Expense recognized in employee benefit expense under the head gratuity	272.51	156.68		
* Expense recognized under the head research and development expenses	8.02	4.96		
<b>5. Investment Details :</b>	% invested As at 31st March, 2016	% invested As at 31st March, 2015		
Reimbursement right (LIC Group Gratuity - Cash Accumulation Policy)	100.00	100.00	—	—

The expenses for the above mentioned benefits have been disclosed under the following line items:

Gratuity - Gratuity under Employee benefits expense.

Leave Salary - Salary, Wages & Bonus under Employee benefits expense.

## Notes : Forming Part of the Financial Statements

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>c. Actuarial Assumption: (Demographic and Financial)</b>		
Discount rate (%)	8.00% p.a.	8.25% p.a.
Rate of increase in Salary	5.00% p.a.	5.00% p.a.
Expected Return on Plan Assets	8.00% p.a.	8.25% p.a.
Method for actuarial valuation	Projected unit credit method.	Projected unit credit method.
Mortality Factor	Indian assured Lives mortality (2006 - 2008) ultimate	Indian assured Lives mortality (2006 - 2008) ultimate

**28.6** With reference to item 14 of Significant Accounting Policies in Note 1 above the company has not found any indication of impairment of assets within the meaning of Clause-5 AS-28 and accordingly no further exercise for calculating impairment loss has been undertaken.

**28.7** Amount Due to Micro and Small Enterprises.

The Identification of vender under Micro and Small category as defined under "The Micro, Small and Medium Enterprises Development Act 2006" (MSMED Act) is based on the disclosure of such parties made in their invoices/ challan as laid down by relevant statute.

Based on aforesaid exercise amount due to Micro and Small Enterprises as on 31.03.2016 aggregate Rs.14.75 lacs (Previous year Rs.17.58 lacs), the amounts overdue as on March 31, 2016 on account of principal amount together with interest, aggregate to Rs. Nil (Previous year Rs. Nil).

**28.8** Research and Development Expenses includes expenses under the following heads.

	Year ended 31st March, 2016	( Rs in Lacs ) Year ended 31st March, 2015
<b>A. Revenue expenditure</b>		
(a) Salary & Wages	148.32	144.82
(b) Gratuity	8.02	4.96
(c) Contribution to Provident Fund	15.31	14.46
(d) Staff Welfare	14.37	10.62
(e) Travelling, Conveyance & Vehicle Upkeep	9.33	10.39
(f) Power & Fuel	31.80	31.46
(g) Postage, Telegram & Telephones	0.76	0.69
(h) Stores Consumed	6.39	5.05
(i) Cost of Materials Consumed	45.98	93.99
(j) Repairs & Renewals :		
Machinery	1.88	1.07
Building	0.04	0.45
Others	0.88	1.62
(k) Outside Testing / Development Charges & Contribution for R & D	3.73	6.03
(l) Miscellaneous Expenses	1.56	0.23
	<u>288.37</u>	<u>325.84</u>
<b>B. Capital Expenditure</b>	33.29	50.60
<b>C. Total</b>	<u>321.66</u>	<u>376.44</u>

## Notes : Forming Part of the Financial Statements

### 28.9 Movement of Provision.

	Provision for Taxes Rs.in lacs	Provision for Doubtful Receivables Rs.in lacs	Provision for Doubtful Advances Rs.in lacs
Opening provision	4,364.56	34.43	14.11
	(3,450.56)	(32.41)	(20.71)
Add: Provision made for the year	2,543.89	—	—
	(914.00)	(5.67)	(1.29)
Less: Adjusted with Advance Payment of Tax & TDS	545.25	—	—
	(—)	(—)	(—)
Less: Written back to Statement of Profit & Loss	—	17.41	0.88
	(—)	(3.65)	(7.89)
Closing provision	<u>6,363.20</u>	<u>17.02</u>	<u>13.23</u>
Figures in bracket relate to previous year			

**28.10** Nominal amount of Forward Contracts entered into by the Company against buyer's credit for hedging adverse impact of foreign currency fluctuation and outstanding as at 31st March 2016 amount to Rs.Nil (Previous Year Rs.252.43 lacs).

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

	As at 31st March, 2016	( Rs. in lacs ) As at 31st March, 2015
Sundry Debtors	93.50	586.64
Loans & Advances	—	4.54
Bank Balance	61.90	105.56
	<u>155.40</u>	<u>696.74</u>
Sundry Creditors	391.34	736.58
Advance from Customer	23.43	120.46
	<u>414.77</u>	<u>857.04</u>

**28.12** Pursuant to schedule II of Companies Act, 2013 components identified in terms of specified benchmark forming Part of Assets have been subjected to depreciation separately according to their life span, technically assessed, which led to charging of Rs. 21.16 lacs against surplus column of reserves and surplus (net off deferend tax thereon Rs.11.20 lacs) towards overaged components and decrease in profit by Rs.4.02 lacs for charging depreciation on remaining components to amortize them during their revised life span as technically assessed.

## Notes : Forming Part of the Financial Statements

**28.13** Disclosure pursuant to section 186(4)(g) of Companies Act, 2013 :

Nature of Facility granted	To whom/in whose favour granted	Amount	Amount outstanding at year end	Purpose
Loan	Kothari Medical Centre	Rs.85.00 Lacs	Rs.85.00 Lacs	Need based working capital support
Loan	VCK Capital Market Services Ltd.	Rs.20.00 Lacs	NIL	Need based working capital support
Guarantee furnished to SBI	Bharat Fritz Werner Ltd.	NIL	Rs.3500.00 Lacs	For obtaintion of Bank Loan
Investment in Mutual Fund	BOI AXA Liquid Fund (DDP)	Rs.50.00 Lacs	Rs.50.02 Lacs	
Investment in Mutual Fund	HDFC Liquid Fund (DDP)	Rs.50.00 Lacs	Rs.50.04 Lacs	
Investment in Mutual Fund	SBI Premier Liquidity Fund (DDP)	Rs.3000.00 Lacs	Rs.3003.84 Lacs	

**28.14** The Company has certian operating leases for, permises (Office and Godowns) which are not non-cancellable range between 1.33 years to 9 years generally and are usually renewable by mutual consent on mutually agreeable terms. During the year the Company has charged related lease rental of Rs.53.04 lacs (Previous Year Rs.46.07 lacs) which is included in the statement of Profit and Loss under the head Rent (Refer Note 26.)

	( Rs. in lacs )	
	As at 31st March, 2016	As at 31st March, 2015
For a period not later than one year	27.12	23.37
For a period later than one year but not later than five years	118.30	114.23
For a period later than five years	125.78	156.96

### 28.15 Corporate Social Responsibility Expenditure

As per Section 135 of the Companies Act, 2013, (Act) a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immidiately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR Committee has been formed by the company as per the Act.

- Gross amount required to be spent by the company during the year is Rs.34.80 lacs (Previous Year Rs.28.61lacs).
- Amount spent during the year :

( Rs. in lacs )			
Particulars	In Cash	Yet to be paid in cash	Total
On construction/ acquisition of any assets	—	—	—
On purposes other than the above	10.00	24.80	34.80
	(29.00)	(0.00)	(29.00)

Figures in bracket represent figures for previous year.

**28.16** The previous periods figure have been regrouped and rearranged wherever necessary.

## Notes : Forming Part of the Financial Statements

( Rs in Lacs )

Year ended  
31st March, 2016

Year ended  
31st March, 2015

### 28.17 Purchase of stock-in-trade during the year :

Class of Goods	Value	Value
Capsules	446.07	413.98
Syrup	799.33	775.55
Tablets	928.54	892.44
Oral	303.17	425.77
Others	142.53	111.02
	<u>2,619.64</u>	<u>2,618.76</u>

### 28.18 Break-up of Sales : (Net of Excise Duty)

Particulars	Sales Value	Sales Value
<b>(a) Manufactured Goods</b>		
Tablets	3,436.44	3,047.49
Small Volume Injectibles	4,626.29	4,725.87
Large Volume Injectibles	8,502.78	9,418.06
Liquids	4,922.09	4,892.02
Capsules	2,320.10	2,370.54
Ointment	1,326.39	1,116.86
Disposable Syringes & Needles	1,257.14	1,587.37
Others	37.03	47.64
Others (Export Incentive)	118.46	118.08
<b>Sub Total (A)</b>	<u>26,546.72</u>	<u>27,323.93</u>
<b>(b) Stock-in-Trade :</b>		
Tablets	2,348.70	2,066.13
Capsules	1,203.59	739.04
Syrup	1,494.26	1,341.50
Oral	414.71	498.96
Others	115.54	116.72
<b>Sub Total (B)</b>	<u>5,576.80</u>	<u>4,762.35</u>
<b>Total ( A + B )</b>	<u>32123.52</u>	<u>32086.28</u>

### 28.19 Work - In - Progress :

	Value	Value
Tablets	19.10	58.74
Injectibles	8.77	54.72
Liquids	20.22	28.55
Bulk Drugs	11.55	16.01
Ointment	5.30	1.51
Disposable Syringes & Needles	48.62	59.23
Sterile Small Volume Injectibles	24.90	30.28
I.V. Fluids	195.38	195.81
Capsules	5.74	2.59
	<u>339.58</u>	<u>447.44</u>

## Notes : Forming Part of the Financial Statements

		( Rs in Lacs )	
		Year ended 31st March, 2016	Year ended 31st March, 2015
<b>28.20</b>	<b>Materials :</b>		
	<b>(A) Raw Materials Consumed :</b>		
	Vitamins	49.59	66.74
	Lactulose Concentrate	809.80	784.55
	Sorbitol	141.44	146.89
	Dextrose Anhydrous	237.19	259.31
	Urso Deoxycholic Acid	679.68	743.71
	Essence, Oils & Drugs	878.99	980.12
	Granules	319.16	422.72
	S.S. Tube / Cannulae	106.15	85.16
	Herbal	211.13	256.17
	Others	692.95	615.87
		<u>4,126.08</u>	<u>4,361.24</u>
	<b>(B) Packing Materials Consumed :</b>		
	Bottles	587.75	674.46
	Ampules / Vials	85.72	115.55
	Granules	1,147.70	1,536.47
	Others	1,828.12	2,073.87
		<u>3,649.29</u>	<u>4,400.35</u>
	<b>Total ( A + B )</b>	<u>7,775.37</u>	<u>8,761.59</u>
	<b>(C) Raw Materials Purchase :</b>		
	Vitamins	66.83	54.59
	Lactulose Concentrate	716.27	913.28
	Sorbitol	144.54	133.12
	Dextrose Anhydrous	274.74	202.57
	Urso Deoxychoic Acid	616.03	751.49
	Essence, Oils & Drugs	774.82	1,116.48
	Granules	342.51	411.85
	S.S. Tube / Cannulae	109.35	86.03
	Herbal	225.63	260.76
	Others	847.94	596.02
		<u>4,118.66</u>	<u>4,526.19</u>

## Notes : Forming Part of the Financial Statements

### 28.21 Value of Raw/Packing Materials and Stores Consumed :

	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Value (Rs. in Lacs)	Percentage of Total Consumption	Value (Rs. in Lacs)	Percentage of Total Consumption
a) Imported	3,311.08	41.53	3,316.98	36.80
b) Indigenous	4,661.85	58.47	5,697.61	63.20
	<u>7,972.93</u>	<u>100.00</u>	<u>9,014.59</u>	<u>100.00</u>

### 28.22 C.I.F. Value of Imports :

	Year ended 31st March, 2016	(Rs. in Lacs ) Year ended 31st March, 2015
a) Raw Materials & Others	2,530.52	3,689.80
b) Purchase of Stock in Trade	71.75	29.63
c) Capital Goods	42.87	40.77
d) Spare parts & Components	81.15	112.32

### 28.23 Expenditure in Foreign Currency :

a) Travelling Expenses	10.13	14.79
b) Interest	0.41	1.85
c) Commission	7.53	0.72
d) Others	152.00	133.65

### 28.24 Earnings in Foreign Currency :

a) Export of Goods on F.O.B. Basis (Including Deemed Export Rs.12.65, Previous Year Rs. 38.25)	2,652.35	3,145.45
b) Other Income (Freight & Insurance)	66.13	149.06

Notes 1 to 28 signed by the following :

As per our Report of even date attached

For **G. Basu & Co.**  
Chartered Accountants  
Firm Registration No. 301174E

**(SUBROTO LAHIRI)**  
Partner  
(Membership No.51717)

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

**INDRAJIT DHAR**  
Associate V.P. (Accts.&Tax.)  
cum Company Secretary

On behalf of the Board

**A. K. KOTHARI**  
Chairman & Managing Director

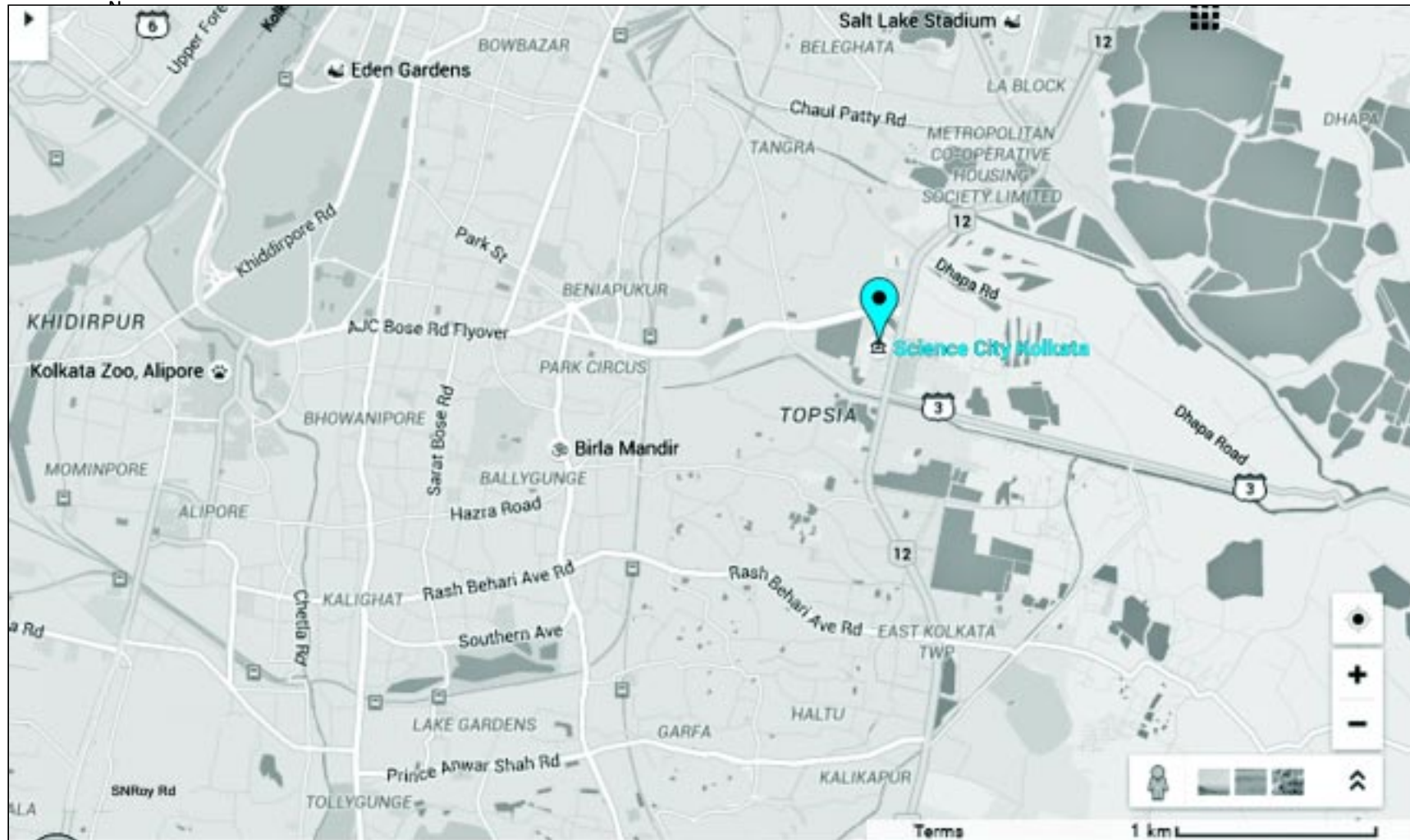
**K. P. MUNDHRA**  
Executive Director

Kolkata  
The 30th May, 2016



## Route Map of the venue of AGM

Mini Auditorium, Science City, J B S Haldane Avenue, Kolkata – 700046





## Notes

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## MAIN SALES DEPOT

### BHOPAL

#### Albert David Limited

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### PATNA

#### Albert David Limited

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### VIJAYAWADA

#### Albert David Limited

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Phone: (0866) 2417693  
Fax: (0866) 2413962  
E-mail: adlvja75@gmail.com

### GUWAHATI

#### Albert David Limited

G.S. Road, Dispur  
(Beside International Hospital)  
Guwahati - 781 005 (Assam)  
Phone: (0361) 2343204/2343243  
Fax: (0361) 2343204  
E-mail: adlguwahati@rediffmail.com

### KOLKATA

#### Albert David Limited

21, Gopal Chandra Bose Lane  
Kolkata - 700 050 (W.B.)  
Fax: (033) 25574471  
Phone: (033) 25569799  
E-mail: kolkata@adlindia.in

## FACTORIES

### GHAZIABAD

#### Albert David Limited

B-12/13, Meerut Road, Industrial Area  
Ghaziabad - 201 003 (U.P.)  
Phone: 0120 4197900 (30 lines)  
Fax: 0120 4197950  
E-mail: adlgzb@adlindia.in

### MANDIDEEP

#### Albert David Limited

Plot No. 207, New Industrial Area No. 2  
Mandideep - 462 046, Dist. Raisen (M.P.)  
Phone: (07480) 233703 / 407426  
Fax: (07480) 403226  
E-mail: adlmdp@adlindia.in

## REGISTERED OFFICE

### ALBERT DAVID LIMITED

15, Chittaranjan Avenue, Kolkata - 700 072 (W.B.)  
Phone: (033) 22129700/9637/9592 Fax: (033) 22258714  
E-mail: adidavid@dataone.in, Website: www.albertdavidindia.com

**ALBERT  
DAVID**

