

# ANNUAL REPORT & ACCOUNTS

For the year ended 31st March 2020



**DEY'S MEDICAL STORES (MFG.) LIMITED**

62, Bondel Road, Kolkata - 700 019

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## Dey's Medical Stores (Manufacturing) Limited

CIN No. : U24232WB1957PLC023528

Telephone No. : 033-2973-0440/2973-0441

Website : www.deysmedical.com

### Board of Directors :

Mr. Gautam Dey, Managing Director

Mr. Ranajit Dey, Jt. Managing Director

Mr. Subharthee Dey, Wholetime Director

Mr. Sourendra Prosad Saha, Director

Mr. Debashish Mazumdar, Director

Mr. Bhaskar Ghose, Director

Mr. Amit Kumar Roy, Director

Mr. Dwarakeswar Chatterjee, Director

### Auditors :

Nundy Roy & Co. Chartered Accountants

### Bankers :

UCO Bank

### Registered Office :

62, Bondel Road, Kolkata - 700 019

### Factories :

62, Bondel Road, Kolkata - 700 019

8, Rifle Range Road, Kolkata - 700 019

### BRANCHES / C & F AGENTS / C & S AGENTS

- Ahmedabad : Dey's Block, Hariom Avenue, 31/B, Govt. Servant Housing Society Ltd.  
Near Municipal Market, Navrangpura, Ahmedabad - 380 009.
- Bengaluru : Mahendra Drug Distributors, 3/6, 1st Floor, 4th Cross, Mysore Road,  
Behind Corporation Bank, Bengaluru - 560 026
- Chandigarh : Geeta Marketing, Plot No. 10, 2 Kanal Industrial Area, Phase-II  
Chandigarh - 160 002.
- Chennai : Shruti's, New No. 333, Old No. 202, Sydenhams Road, Apparao Garden,  
Choolai, Chennai - 600 112.
- Kochi : 73/1862, K.S.Udayan Road, Pachalan, Kochi - 682 012.
- Cuttack : Plot No. 344, 26 Cantonment Road, Near Chandni Chhak, Cuttack - 753 008.

- Delhi : A-49 (Basement), Main Kanti Nagar, Delhi - 110 051  
Kapco Marketing Pvt. Ltd., S-3, Bhagwan Dass Nagar, East Punjabi Bagh,  
Delhi - 110 026.
- Guwahati : L. B. Medi Services Pvt. Ltd., M/s Agarwal Tube Company Complex, G. S. Road,  
Christian Basti (Near Apollo Hospital), Dispur, Guwahati - 781 005.
- Jabalpur : Khasra No. 466/1, 467/1, Mouza Karmeta, Katangi Road, Jabalpur - 482 002.
- Jaipur : Plot No. 102, Near Bank of Baroda, Tonk Road, Sanganer, Jaipur - 302 029.
- Kolkata : 8, Rifle Range Road, Kolkata - 700 019  
Rajprotim Agencies, 49/89, Prince Gulam Mohammad Shah Road,  
Golf Gardens, Kolkata - 700 033.
- Lucknow : E-435, Transport Nagar, Behind Parking No.9, Lucknow - 226 012.
- Mumbai : 103/104/105, Dattani Palza, Safed Pool, Saki Naka, Andheri, Kurla Road  
Mumbai - 400 072.
- Patna : Arya Remedies Pvt. Ltd., Sahara Road, Choti Pahari, Agam Kuan,  
P.O. : Gulzarbagh, Patna - 800 007.
- Ranchi : J.M.Pharma, 120, Basant Vihar, Road No.1, Harmu, Ranchi - 834 012.
- Secunderabad : Durga Bhavan (1st Floor), 141/1, Rashtrapati Road, Secunderabad - 500 003.
- Varanasi : H.K.Das Marketing, Lahartara Boulia, Varanasi Cantt - 221 002.
- Ambala Cantt : Soleks MLT, House No. 1, DRM Office Road, P.O.: Kuldeep Nagar, Ambala  
Cantt. - 133 001.
- Zirakhpur : Vill. Pabhat, Godown Area, Near J P Hospital, Behind Unicity Business  
Center, Zirakhpur MC, Distt. S.A.S. Nagar (Mohali), Punjab - 140 603.  
Soleks MLT, SCF 89, Govind Vihar, Baltana, Zeerakhpur, Dist. - Mohali, Punjab
- Parwanoo : Geeta Marketing, Khasra No. 427/2, Nariyal Road, Sector - 4, Parwanoo.
- Raipur : Shri Krishna Traders, Shop No.105, Medical Complex, GE Road, Raipur  
Gawri Marketing, Near Jeet Cold Storage, Ring Road No. 2, Gondwara,  
Raipur - 493 221, Chattisgarh.
- Rishikesh : Narang Distributors, 585/311, Bankhandi Gram, Rishikesh - 249 201.
- Nagpur : Tradelinks, Block - 401, Pooja Chamber, Wadi, Nagpur - 440 023.
- Vijaywada : Satya Logistics, Door No. 76-1/1, 1<sup>st</sup> Floor, Shop No-31, Hrt Sai Nirman  
Complex, Bhavanipuram, Vijaywada - 520 012.  
Vinayaka Corporation, Door No. 75/5/7, R S No. 10, Durga Plot,  
Temple Road, Bhawanipuram, Vijaywada - 520 012

**BOARD'S REPORT**

**To**  
**The Shareholders,**  
**Dey's Medical Stores (Manufacturing) Limited**

Your Directors have pleasure in presenting the **Sixty-Third** Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2020

<b>1. Financial Results :</b>	<b>As at 31.3.20</b>	<b>As at 31.3.19</b>
	<b>(Rupees in Thousands)</b>	
Revenue from Operations	<u>109,01,09</u>	<u>105,21,23</u>
Profit before Depreciation	10,04,39	10,54,96
Depreciation	<u>62,17</u>	<u>65,28</u>
Profit before Tax	9,42,22	9,89,68
Less : Provision for Taxation		
- For the Current Year	2,43,51	2,88,27
- Deferred Tax	(29)	(149)
- Tax Adj. for Previous Year	<u>—</u>	<u>16,77</u>
Total amount available for appropriation	6,99.00	6.86.13
Less : Transfer to General Reserve	2,00,00	2,00,00
Proposed Dividend	8,51	12,77
Tax on Dividend	<u>—</u>	<u>2,62</u>
	4,90,49	4,70,74
Balance brought forward from last year	<u>27,31,07</u>	<u>22,60,33</u>
Balance carried forward	<u>32,21,56</u>	<u>27,31,07</u>

**Operating Results**

During the year under review your Company's Revenue from Operations amounted to Rs.10901.09 Lakhs as compared to Rs. 10521.23 Lakhs in the previous year. Company's Profit Before Tax is Rs. 942.22 Lakhs against Rs. 989.68 Lakhs in the previous year.

***Good Manufacturing Practices (GMP)***

In the last few years, your Company has been continuously making significant investment towards upgradation of its facilities to bring it in full compliance with Schedule M of the Drugs & Cosmetics Acts and Rules & ICH guidelines. The Company is now fully Schedule M compliant and is relentlessly pursuing its improvement programme to achieve better standards in the years to come. The Company has now also become GLP (Good Laboratory Practices) compliant.

***Dividend***

Your directors recommend payment of Dividend @ Rs. 1 per Equity Shares subject to approval by the shareholders at the ensuing Annual General Meeting. Total financial outgo will be Rs. 8.51 lakhs.

***Share Capital***

There has been no change in authorised, issued subscribed and paid up share capital during the year under review.

***Material changes and commitments affecting financial position between end of the financial year and Date of Report.***

All operations of the Company were disrupted during the first quarter of the current financial year 2020-21 due to impact of COVID-19. However steps have been taken to ensure smooth functioning of operation of all units of the Company. The Board finds pleasure to apprise you that your Company has launched commercial production of Hand Sanitizer under the trade mark "DEY'S CARE". Since August, 2020 at its plant located at 62, Bondel Road, Kolkata - 700019.

***Directors' Responsibility Statement***

Pursuant to Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 (hereinafter referred to as "the Act"). Directors of the Company hereby state and confirm that –

- a) In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there were no material departures from the same;
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

***Directors and Key Managerial Personnel***

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013, Rules framed thereunder and the Articles of Association of your Company, Mr. Sourendro Prasad Saha (DIN 01927506), Director of the Company is due to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment. Your Board recommends reappointment of Mr. Sourendro Prasad Saha as Director of the Company liable to retire by rotation.

Nomination and Remuneration Committee of the Board of the Company had at its meeting held on 9th August 2019 recommend appointment of Mr. Rajarshi Dutta as Chief Executive Officer of the Company within the meaning of Section 2 (18) and Section 2 (51) of Companies Act 2013. The Board at its meeting held on 12th December 2019, approved his appointment from 16th December 2019 till the closing of business hours of 31st December, 2021 on contractual basis. Mr. Rajarshi Dutta is a science graduate with an MBA (from IIM, Ahmedabad). He has more than 20 years experience across international/multi-cultural environments. His immediate previous employer was ARVIND LTD. as Chief Operating Officer and head of Country Operation. His present remuneration comprised of salary Rs.40,00,000/- per annum, HRA Rs.35,000/- per month and other perquisite.

***Independent Director***

Your Board includes two Independent Directors i.e. (a) Dr. Amit Kumar Roy (DIN 06910710) and Mr. Dwarakeswar Chatterjee (DIN 08390801). In terms of Section 149 (10) and Section 152 of Companies Act 2013, appointment of Dr. Amit Kumar Roy, Independent Director of the Company was approved at 61st Annual General Meeting for a period of five years from 30th August 2018. Appointment of Mr. Dwarakeswar Chatterjee as Independent Director of the Company was approved at 62nd Annual General Meeting for a period of five years from 19th March, 2019. They have declared to the Board of Directors that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act 2013.

***Extract of Annual Return***

The extract of the Annual Return in prescribed Form MGT-9, as required under Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and applicable Rules thereunder, is annexed herewith as Annexure - A and forms an integral part of this report.

***Number of Meetings of the Board of Directors***

The Board of Directors duly met five times during the financial year from 1st April, 2019 to 31st March, 2020 i.e. on 10.07.2019, 09.08.2019, 16.09.2019, 12.12.2019 and 11.02.2020. The details of meeting attended by each director of the Company are given below :

<b>Name of Directors</b>	<b>No. of meetings attended</b>
Mr. Gautam Dey	5
Mr. Ranajit Dey	5
Mr. Subharthee Dey	5
Dr. Amit Kumar Roy	4
Mr. Bhaskar Ghose	5
Mr. Dwarakeswar Chatterjee	4
Mr. Debashish Mazumder	3
Mr. Sourendro Prasad Saha	3

***Auditors***

M/s. Nundy Roy & Co., Chartered Accountants, (Firm Registration No.301049E), was appointed as Auditor of the Company for a period of 5 years, from the conclusion of the 58th Annual General Meeting till the conclusion of 63rd Annual General Meeting. The Board has received written consent to the appointment and certificate from Nundy Roy & Co., Chartered Accountants (Firm Registration No.301049E) that the appointment, if made, shall be in accordance with conditions prescribed in Rule 4 of Companies (Audit and Auditors) Rules 2014.

***Auditors' Report***

Comments of the Auditors in their report and the notes forming part of the Accounts are self explanatory and need no comments.

***Deposit***

The Company has not accepted any deposits covered under Chapter V of Companies Act 2013 and it does not hold any deposit as on March 31,2020. As such, the details required to be given pursuant to the provisions of sub-rule 5 of Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable to the Company.



***Contracts and Arrangements with Related Parties***

The Board noted that Contracts and Arrangements now existing with Dey's Medical Stores Private Limited (DMSPL) and Dey's Medical (U.P.) Private Limited [DM(UP)PL], related parties within the meaning of Section 2 (76) of the Companies Act 2013, were approved by the board as transactions in ordinary course of business on the same footing as if such transactions were entered with unrelated parties on arm's length basis. Accordingly there is no requirement to record the details of transactions in prescribed format pursuant to Clause (h) of Subsection (3) of Section 134 and Rule 8(2) of the Companies (Accounts) Rules 2014.

Related Party disclosures pursuant to Accounting Standard 18 are made in the notes to Financial Statements (Note No. 27).

***Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo***

The details as required pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with sub-rule 3 of Rule 8 of the Companies (Accounts) Rules, 2014 are given in **Annexure B**.

***Audit Committee***

The Board of Directors had duly constituted Audit Committee at the Board Meeting held on 19th March 2019 in terms of Provisions of Section 177 of the Companies Act 2013 read with the rules framed thereunder. The terms of reference of the Audit Committee has been approved by the Board of Directors composition of the audit committee is stated below –

- (i) Mr. Dwarakeswar Chatterjee (Chairman)
- (ii) Dr. Amit Kumar Roy (Member)
- (iii) Mr. Sourendra Prasad Saha (Member)

During the year under review, Audit Committee Meetings were held on 7th August, 2020 and 11th March, 2020. The Chairman of the Audit Committee was present at 62nd Annual General Meeting.

***Nomination and Remuneration Committee***

The Board of directors had duly constituted Nomination and Remuneration Committee at the Board Meeting held on 19th March 2019 in terms of provisions of section 178 of the Companies Act 2013 read with rules framed thereunder composition of the Nomination and Remuneration Committee is stated below –

- (i) Dr. Amit Kumar Roy (Chairman)
- (ii) Mr. Dwarakeswar Chatterjee (Member)
- (iii) Mr. Sourendra Prasad Saha (Member)

During the year under review, Nomination and Remuneration Committee meetings were held on 7th August, 2019 and 9th August, 2019. The Chairman of the Committee was present at the 62nd Annual General Meeting.

***Nomination and Remuneration Policy***

The Nomination and Remuneration Committee has formulated and recommended to the Board Nomination and Remuneration Policy for identification, selection and Appointment of Directors, Key Managerial Personnel (KMP) and Senior Managerial Personnel (SMP) of your Company. The policy, inter alia provides for criteria for fixing remuneration of the Directors, KMP, SMP as well as other employees of the Company. The Policy has been placed on the website of the Company at the webaddress - [www.deysmedical.com](http://www.deysmedical.com)

***Corporate Social Responsibility***

Corporate Social Responsibility (CSR) Committee of the Board comprise (a) Mr. Gautam Dey, Managing Director, (b) Mr. Ranajit Dey, Joint Managing Director, (c) Mr. Subharthee Dey, Wholetime Director, (d) Dr. Amit Kumar Roy, Independent Director. Mr. Gautam Dey is the Chairman of the Committee.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR Activities has been annexed to this Board's Report and marked as Annexure - C. The CSR Policy is available on the website of the Company at the webaddress - [www.deysmedical.com](http://www.deysmedical.com)

***Investor Education and Protection Fund (IEPF)***

During the year under review the Company has transferred to the IEPF unclaimed/unpaid dividend Rs.9,850/- on 20th January, 2020 and 13 Nos. of shares were transferred on 23.04.2019 in terms of Section 124(6) of the Companies Act 2013 and in pursuance of Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016.

***Particulars of Employees and related disclosures***

None of the employees of the Company were in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules 2016.

***Internal Financial Controls***

The Company has in place adequate internal financial controls as a part of sound financial management of the Company. The Company periodically reviews the existing financial controls for better monitoring and evaluation of the performance of the Company.

***Risk Management***

The Company has formulated and adopted a Risk Management Policy for identification of elements of risk and to mitigate various business risks arising due to internal and external risks. The Company has appointed a Committee to identify and ascertain risk, both internal and external, affecting the organization and its growth. The company has taken COVID-19 Insurance Policy upto a sum of Rs. 1,00,000/- (Rupees One Lakh) for each employee including contractual employees.

***Significant and material Orders passed by the Regulators or Courts***

There are no significant and material orders passed by any Regulators/Courts which would impact the going concern status of the Company and its future operations.

***Acknowledgment***

Yours directors wish to place on record the utmost cooperation and support extended by various departments and agencies of the State & Central Government, UCO Bank, Bandhan Bank, ICICI Bank, Indian Drug Manufacturer's Association (IDMA), Ayurvedic Drug Manufacturer's Association and various Chambers of Commerce, in the various fields of the companies' activities.

In conclusion your Directors pledge to continue to strive to achieve excellence in all fields of the Companies activities and take appropriate measure that may be necessary for the fulfillment of the overall objectives. It is hoped that you will extend your cooperation in the coming years also.

For & on behalf of the Board

Registered Office :  
62, Bondel Road,  
Kolkata- 700 019  
Date : 5<sup>th</sup> November, 2020

**(Gautam Dey)**  
Managing Director  
DIN : 01277238

**(Ranjit Dey)**  
Jt. Managing Director  
DIN : 01277323