ANNUAL REPORT & ACCOUNTS

For the year ended
31st March, 2018

Dey's

DEY'S MEDICAL STORES (MFG.) LIMITED

6/D, Nelly Sengupta Sarani, Kolkata - 700 087

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Dey's Medical Stores (Manufacturing) Limited

Dey's

CIN No. : U24232WB1957PLC023528

Telephone No. : 033-22499810/9811/9825/9827

Website : www.deysmedical.com

Board of Directors :

Mr. Gautam Dey, Managing Director

Mr. Ranajit Dey, Jt.Managing Director

Mr. Subharthee Dey, Wholetime Director

Mr. Ushanath Banerjee, Director

Mr. Baidyanath Datta, Director

Mr. Sourendra Prosad Saha, Director

Mr. Debashish Mazumdar, Director

Mr. Bhaskar Ghose, Director

Auditors :

Nundy Roy & Co. Chartered Accountants

Bankers :

UCO Bank

Registered Office :

6/D, Nelly Sengupta Sarani (Formerly Lindsay Street) Kolkata - 700 087

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, Bangalore - 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. 194, Sydenhams Road, Apparao Garden, Choolai, Chennai - 600 112.
Kochi	:	73/1862, K.S.Udayan Road, Pachalan, Kochi - 682 012.
Cuttack	:	26 Cantonment Road, Chandni Chawk, Cuttack - 753 001.

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., 1, Gopal Road, Panbazar, Guwahati - 781 001.
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 - 302 033.
Kolkata	:	6/D, Nelly Sengupta Sarani, (Formerly Lindsay Street), Kolkata - 700 087. 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	:	S. P. Pharma, Mahatma Gandhi Nagar Road, Railway Coach Complex Kankarbagh, Patna - 800 020.
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, Narriyal 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, 1st Floor, Shop No-31, Hrt Sai Nirman Complex, Bhavanipuram, Vijaywada - 520 012. Vinayaka Corporation, Door No. 76-10-20/2B4, Gandhi Bomma Road, Bhavanipuram, Vijayawada - 520 012.

DEY'S MEDICAL STORES (MANUFACTURING) LTD.

CIN : U24232WB1957PLC023528
REGISTERED OFFICE: 6/D NELLY SENGUPTA SARANI, KOLKATA – 700 087
Phone : 033 22499810/9811/9825/9827 e-mail : dmshoac@deysmedical.com
website : www.deysmedical.com

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixty First Annual General Meeting of the Members of the Company will be held on Friday, the 28th September, 2018 at 8, Rifle Range Road, Kolkata 700019, at 3.00 P.M. to transact the following business :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31st March 2018 and report of the Board of Directors and Auditors thereon.

2. To declare Dividend on Equity Shares of the Company.

3. To appoint a Director in place of Mr. Baidyanath Dutta (DIN 06948842), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Sourendra Prasad Saha (DIN 01927506), who retires by rotation and being eligible, offers himself for re-appointment.

AS SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to Section 148(3) of the Companies Act 2013, remuneration of Rs. 96,000/- plus applicable GST, payable to M/s. DGM & Associates, Cost Accountants, as Cost Auditor for conducting Cost Audit of the Pharmacutical Products of the Company for the Financial year 2018-2019 be and is hereby ratified."

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

   "RESOLVED THAT Dr. Amit Kumar Roy (DIN 06910710) who was appointed as an additional Director in the category of Independent Director at the Board Meeting held on 30th August, 2018 and in respect of whom a Notice Under section 160 of the Companies Act 2013 has been recieved

from a member signifying his intention to propose Dr. Amit Kumar Roy as a candidate for the office of the Independent Director and who fulfills the cr teria as specified in section 149(6) of the Companies Act 2013 and who had given a declaration as per Section 152(4) of the Companies Act 2013 be and is hereby appointed as Independent Director of the Company for a period of five consecutive years as per section 149(10) of the said act and not liable to retire by rotation as per section 152(6) of the said act read with section 149(13) of the said act."

7. To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provision of Section 185 of the Companies Act 2013, consent is given to the Board of Directors of the Company to advance any loan directly or indirectly, including any loan represented by a book debt to its holding Company or to any person in whom any Director of the Company is interested subject to the condition that any such loan given by the Company are utilized by the borrowing company for its principal business activities"

By Order of the Board

(Goutam Dey)
Managing Director
DIN : 01277238

Registered Office :
6/D Nelly Sengupta Sarani
Kolkata- 700 087
Date : 30th August, 2018

Notes :

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the Company.**

2. **Proxy in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting. Person appointed as proxies can act on behalf of members not exceeding 50 and not holding more than 10% of the paid up share capital.**

3. In terms of Section 124(5) and 124(6) of the Companies Act 2013, any dividend remaining unpaid/ unclaimed for a period of Seven years from the date of transfer to Unpaid Dividend Account is required to be transferred to the "Investor' Education and Protection Fund" set up by the Central Government.

   Dividend for the finalcial years up to 31st March, 2010 which remained unpaid or unclaimed for seven years, have been transferred to the Investor's Education and Protection Fund of the Central Government pursuant to the amended provision of Section 205A of the Companies Act, 1956 and Section 124(5) of the Companies Act, 2013. It may be noted that once the unclaimed dividend amount is transferred to the fund, the same cannot be claimed by the Shareholders from the Company. Shareholders who have not encashed their dividend warrant(s) for the financial year ended 31st March, 2011 or any subsequent years, are requested to claim the same from the Company.

   The attention of the shareholders are also invited to the provisions of Section 124(6) of the Companies Act, 2013. In terms of which all shares for which dividend remain unpaid/unclaimed or a continuous period of seven years, shall also required to be transferred to the Investors' Education and Protection Fund (IEPF).

4. Pursuant to the provisions of Section 72 of the Companies Act 2013, members may send their nomination Form No. SH-13 attached herewith.

5. An Explanatory Statement Pursuant to Section 102 of the Companies Act 2013, relating to the Special Business to be transacted at this Annual General Meeting is annexed herewith.

6. Corporate members intending to exercise voting power at the Annual General Meeting through their representatives should forward a copy of their Board Resolution before the date of the meeting.

7. Route map showing prominent landmark of the location of the Venue of the meeting is attached herewith.

8. Dividend, if declared at the Annual General Meeting, will be paid within 30 days from the date of AGM to those Shareholders whose names appear in the Company's Register of Members on record date which is 25th September, 2018.

9. Register of members shall remain closed on 25th September, 2018.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 5

Section 148(3) of the Companies Act 2013 and Rule 14 of the Companies (Audit and Auditors) Rules 2014, requires ratification, by members of the Company, of remuneration payable to the Cost Auditors for auditing Cost Accounts of Pharmacutical Products by members of the Company. For the financial Year 2018-2019, the Board of Directors of the Company appointed M/s. DGM & Associates, Cost Accountant, as Cost Auditor of the Company at a remuneration of Rs. 96,000/- plus applicable tax.

None of the Directors, Key Managerial Personnel and their relatives is interested in this resolution.

The Board recommends the resolution for approval of the members.

Item No. 6

Dr. Amit Kumar Roy (DIN 06910710) was appointed as an Additional Director in the category of Independent Director of the Company by Board of Directors at its meeting held on 30th August 2018. A Notice has been received from a shareholder pursuant to section 160 of the Companies Act 2013 proposing Dr. Amit Kumar Roy as Independent Director of the Company for a period of Five consecutive years as per Section 149(10) of the Companies Act 2013.

Dr. Amit Kumar Roy, by Profession a Doctor, has been associated with Pharmacutical Industry for a long time and it is felt that his professional expertise will enormously contribute in regular activities of the Company. He has given a declaration of Independence under Subsection 6) of section 149 of the Companies Act 2013. Except Dr. Amit Kumar Roy, none of the Directors, key Managerial Personnel and their relatives is interested in the resolution.

The Board recommends the resolution for approval of the members.

Item No. 7

During the Financial Year 2017-18, the Company, inter alia, sold Keo-Karpin Ayurvedic Massage Oil to the Stockiest who also is the Stockist of Keo-Karpin Hair Oil sold by the Holding Company. The stockist settled dues of the Company as well as that of the Holding Company by issuing cheque for total amount payble by the stockist either in the name of the Company or in the name of the Holding Company resulting in book debt of Rs. 22.11 Lakhs recorverable by the Company from its Holding Company as on 31st March 2018. This amount of Rs. 22.11 has been shown as advance in Note 28, Serial no. 12 (i)

Except Mr. Gautam Dey Managing Director, Mr. Ranjit Dey, Jt. Managing Director & Mr. Subharthee Dey, Wholetime Dirtector, none of the other Directors of the Company, key Managerial Personnel and their relatives is interested in the resolution.

The Board recommends the resolution for approval of the members.

By Order of the Board

Registered Office :

6/D, Nelly Sengupta Sarani

Kolkata - 700087

Date : 30th August, 2018

(Gautam Dey)

Managing Director

DIN : 01277238

BOARD'S REPORT

To the Shareholders
Dey's Medical Stores (Manufacturing) Limited

Your Directors have pleasure in presenting the **Sixty-first** Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2018

1. Financial Results :	**As at 31.3.18**	**As at 31.3.17**
	(Rupees in Thousands)	
Revenue from Operations	98,32,43	1,00,99,47
Profit before Depreciation	4,36,40	9,53,34
Depreciation	79,57	87,76
Profit before Tax	3,56,83	8,65,58
Less : Provision for Taxation		
- For the Current Year	1,22,72	3,00,65
- Deferred Tax	(357)	(514)
- Tax Adj. for Previous Year	–	(1907)
Total amount available for appropriation	2,37,68	5,89,14
Less : Transfer to General Reserve	1,00,00	2,00,00
Proposed Dividend	8,51	12,77
Tax on Dividend	1,75	2,60
	1,27,42	3,73,77
Balance brought forward from last year	21,32,91	17,59,14
Balance carried forward	22,60,33	21,32,91

Operating Results

During the year under review your Company's Revenue from Operations amounted to Rs.9832.00 Lakhs as compared to Rs.10099.00 Lakhs in the previous year. Company's Profit Before Tax is Rs. 356.83 Lakhs against Rs. 865.58 Lakhs in the previous year.

The increase in sales has not been possible since the Sales of first quarter for the Financial year 2017-18 had affected adversely in respect to Sales of first quarter of Financial year 2016-17 because of implementation of GST in the month of July 2017. Your company may be affected in future by the new provisions of DPCO 2013 enacted in May 2013 and adverse developments arising out of certain fixed dose combinations marketed by your Company.

Good Manufacturing Practices (GMP)

In the last few years, your Company has been continuously making significant investment towards up-gradation 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. 1.00/- per Equity Shares subject to approval by the shareholders at the ensuing Annual General Meeting. Total financial outgo wil be Rs. 10.26 lakhs, including dividend distribution tax of Rs. 1.75 lakhs.

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, 2018, 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, 2018 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 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. Baidyanath Dutta (DIN 06948842) and Mr. Sourendra Prosad Saha (DIN 01927506), Director of the Company, are due to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Dr. Amit Kumar Ray (DIN 06910710) and Mr. Aditya Banerjee (DIN 05233444) have resigned as director of the company at the board meeting held on 6th December 2017. The Board accepted the resignation and recorded appreciation of invaluable advice received from them during their tenure as directors of the Company.

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 four times during the financial year from 1st April, 2017 to 31st March, 2018 i.e., on 26.05.2017, 23.08.2017, 06.12.2017 and 06.03.2018. The details of meeting attended by the each director of the Company are given below :

Name of Directors	No. of meetings attended
Mr. Gautam Dey	4
Mr. Ranajit Dey	4
Mr. Subharthee Dey	4
Mr. Usha Nath Banerjee	2
Mr. Aditya Banerjee	1
Mr. Amit Kumar Roy	3
Mr. Baidyanath Datta	4
Mr. Sourendro Prosad Saha	3
Mr. Debashish Mazumdar	2
Mr. Bhaskar Ghose	4

Auditors

M/s. Nundy Roy & Co. Chartered Accountants, (Firm Registration No. 301049E), Statutory Auditors of the Company, was appointed as Auditors 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. In terms of MCA Notification dated 7th May, 2018, the First Proviso to Section 139(1) of Companies Act 2013, requiring ratification of appointment of Statutory Auditor at every Annual General Meeting, has been omitted and accordingly, no resolution need to be passed at any Annual General Meeting to be held after 7th May, 2018 for ratification of appointment of M/s. Nundy Roy & Co. as Statutory Auditor of the Company.

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 and it does not hold any deposit as on March 31, 2018. 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.: 28).

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** .

Corporate Social Responsibility

Your Board has constituted a Corporate Social Responsibility (CSR) Committee of the Board under the Chairmanship of Mr. Gautam Dey, Managing Director. Other members of the Committee are (a) Mr. Ranajit Dey, Joint Managing Director and (b) Mr. Subharthee Dey, Wholetime Director.

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.

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 Rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Ammendment 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 propose to appoint a Committee to identify and access risk, both internal and external, affecting the organization and its growth.

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.

Performance and Financial Position of Subsidiaries, Associates and Joint Venture Companies

The Company does not have any Subsidiary, Joint Venture Company and/or Associate Company. As such information required to be given pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014 are not applicable.

Particulars of Loans given, Investments made and Guarantee Provided

During the period under review, the Company did not give any loans or make any investment or provide any security within the meaning of section 186(4) of the Companies Act, 2013, and accordingly, no disclosure is required to be made with respect thereto.

Remuneration received by Directors from Holding Company

The details of remuneration received by the Directors of the Company from Dey's Medical Stores Private Limited, the Holding Company, are given below :

Name of Directors	Remuneration (Rs.)
Mr. Gautam Dey	54,69,699
Mr. Ranajit Dey	49,35,548
Mr. Subharthee Dey	49,87,609

Sexual Harrasment of Women at workplace

As required under the provisions of the sexual harassment of women at the workplace (Prevention, Prohibition & Redressal (Act 2013) read with the sexual harassment of women at the workplace (Prevention, Prohibition & Redressal (Rules 2013), an Internal Committee (ICC) with requisite no. of representatives has been set up to redress complaints of sexual harassment, if any.

The following is a summary of sexual harassment complaints received and disposed off during the financial year 2017-18 :-

No. of complaints received : NIL

No. of complaints disposed off : Not Applicable

Industrial Relations

Your Directors place on record their heartiest appreciation of the contributions made by the employees at all levels. Yours directors wish to also place on record the utmost cooperation and support extended by various departments and agencies of the State & Cetral Government, UCO 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.

Disclosure

The Directors have devised proper systems and procedures for ensuring compliance with all applicable secretarial standards approved by the Central Government under Section 118 (10) of the Companies Act 2013.

As required under Companies (Accounts) Rules 2014, the Director of the Company affirm that cost records as prescribed by the Central Government under Section (1) of Section 148 of the Conpanies Act 2013 have been maintained by the Company.

Acknowledgment

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 :
6/D Nelly Sengupta Sarani
Kolkata- 700 087
Date : 30th August, 2018

(Gautam Dey)
Managing Director
DIN : 01277238

(Ranajit Dey)
Jt. Managing Director
DIN : 01277323

Annexure – A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on the finandal year ended on March 31, 2018
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U24232WB 1957PLC023528
2.	Registration Date	01.08.1957
3.	Name of the Company	DEY'S MEDICAL STORES (MANUFACTURING) LTD.
4.	Category/Sub-category of the Company	Unlisted Public Company
5.	Address of the Registered office & contact details	6/D Nelly Sengupta Sarani, Kolkata - 700 087 Phone : 033-2249-9810; e-mail: dmshoac@deysmedical.com.
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Age, if any.	NIL

II. PRINCIPAL BUSINESS ACTI)VITIES 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.	I TONE Eye Drop		19.41
2.	Enteromycetin Suspension 60 ml.		11.27

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Dey's Medical Stores Pvt. Ltd.	U5 1217WB1949PTC017847	HOLDING	98.27	2(46)

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 [As on 1st April, 2017]				No. of Shares held at the end of the year [As on 31st March, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	Nil	773	773	0.09	Nil	773	773	0.09	Nil
b) Central Govt.	-	-	-	-	-	-	-	-	-

c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	Nil	836491	836491	98.27	Nil	836491	836491	98.27	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	**Nil**	**837264**	**837264**	**98.36**	**Nil**	**837264**	**837264**	**98.36**	**Nil**
(2) Foreign									
a) NRIs-Individuals									
b) Other Individuals									
c) Bodies Corporate									
d) Banks / FI									
e) Any Other									
Sub-Total (A)(2)									
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	**Nil**	**837264**	**837264**	**98.36**	**Nil**	**837264**	**837264**	**98.36**	**Nil**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI	Nil	8	8	0.00	Nil	8	8	0.00	Nil
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Fund									
f) Insurance Companies	Nil	7823	7823	0.92	Nil	7823	7823	0.92	Nil
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-Total (B)(1)	**Nil**	**7831**	**7831**	**0.92**	**Nil**	**7831**	**7831**	**0.92**	**Nil**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	Nil	35	35	0.00	Nil	35	35	0.00	Nil
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	Nil	6056	6056	0.72	Nil	6056	6056	0.72	Nil
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh									
c) Others (specify)									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies – D R									
Sub-Total (B)(2)	Nil	6091	6091	0.72	Nil	6091	6091	0.72	Nil
Total Public Shareholding B = B(1) + B(2)	Nil	13922	13922	1.64	Nil	13922	13922	1.64	Nil
C. Shares held by Custodian for GDRs & aDRs									
Grand Total (A+B+C)	Nil	851186	851186	100	Nil	851186	851186	100	Nil

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered in total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered in total shares	
1.	Dey's Medical Stores Pvt. Ltd.	836491	98.27	Nil	836491	98.27	Nil	Nil
2.	Mr. Gautam Dey	773	0.09	Nil	773	0.09	Nil	Nil
	Total	837264	98.36	Nil	837264	98.36	Nil	Nil

(iii) Change in Promoter's Shareholding (please specify, if there is no change) : NO CHANGE

Sl. No.	Particulars	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				
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweet equality etc.)				
	At the end of the year				

(iv) Shareholding pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	For each of the Top 10 Shareholders	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.	**New India Assurance Co.Ltd.**				
	At the beginning of the year	7823	0.92	7823	0.92
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
	At the end of the year	7823	0.92	7823	0.92
2.	**Ruma Rudra**				
	At the beginning of the year	672	0.08	672	0.08
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer bonus / sweat equity etc)	Nil	Nil	Nil	Nil
	At the end of the year	672	0.08	672	0.08
3.	**Nirmal Baran Bhattacharjee**				
	At the beginning of the Year	346	0.04	346	0.04
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	346	0.04	346	0.04

4.	**Sandip Rudra**				
	At the beginning of the Year	200	0.02	200	0.02
	Date wise Increase / Decroase in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	200	0.02	200	0.02
5.	**Dhruba Das**				
	At the beginning of the Year	173	0.02	173	0.02
	Date wise Increase / Decroase in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	173	0.02	173	0.02
6.	**Subha Sankar Nandi**				
	At the beginning of the Year	121	0.01	121	0.01
	Date wise Increase / Decroase in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	121	0.01	121	0.01
7.	**Tarun Basu**				
	At the beginning of the Year	103	0.01	103	0.01
	Date wise Increase / Decroase in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	103	0.01	103	0.01
8.	**Bani Dey**				
	At the beginning of the Year	100	0.01	100	0.01
	Date wise Increase / Decroase in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	100	0.01	100	0.01
9.	**Bhupati Mohan Sen**				
	At the beginning of the Year	86	0.01	86	0.01
	Date wise Increase / Decroase in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	86	0.01	86	0.01
10.	**Prakash Chandra Dey**				
	At the beginning of the Year	86	0.01	86	0.01
	Date wise Increase / Decroase in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	86	0.01	86	0.01

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

Sl. No.	Shareholding of each Director and each Key Managerial Personnel	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.	Mr. Gautam Dey, Managing Director				
	At the beginning of the year	773	0.09	773	0.09
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Nil	Nil	Nil	Nil
	At the end of the year	773	0.09	773	0.09
2.	Mr. Ranajit Dey, Jt. Managing Director				
	At the beginning of the year	68	0.01	68	0.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Nil	Nil	Nil	Nil
	At the end of the year	68	0.01	68	0.01
3.	Mr. Subharthee Dey, Wholetime Director				
	At the beginning of the year	71	0.01	71	0.01
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Nil	Nil	Nil	Nil
	At the end of the year	71	0.01	71	0.01

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		22773000	-	22773000
ii) Interest due but no paid				
iii) Interest accrued but not due				
Total (i + ii + iii)				
Change in Indebtedness during the financial year				
• Addition (net)				
• Reduction		7353407		7353407
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount		15419593		15419593
ii) Interest due but no paid				
iii) Interest accrued but not due				
Total (i + ii + iii)				

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
		Gautam Dey	Ranajit Dey	Subharthee Dey	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income Taxt Act, 1961				
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961				

2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	356831	356831	356831	1070493
5.	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act				10% of Net Profit

B. *Remuneration to other directors : NIL*

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Dr. Amit Kumar Roy	Mr. Baidyanath Dutta	Mr. Saurendra Prasad Saha	Mr. Aditya Banerjee	Mr. Ushanath Banerjee	Mr. Debashish Mazumder	
1.	Independent Directors							
	Fee for attending board committee meetings							
	Commission							
	Others, please specify							
	Total (1)							
2.	Other Non-Executive Directors							
	Fee for attending board committee meetings							
	Commission							
	Others, please specify							
	Total (2)							
	Total (B) = (1+2)							
	Total Managerial Remuneration							
	Overall Ceiling as per the Act							

C. *Remuneration to Key Managerial Personnel other than MD/Manager/WTD : NIL*

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1 of the Income-tax Act, 1961				
	(b) Value of perquisites uls 17(2) Income-tax Act, 1961				
	© Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
	- as % of profit				
	others, specify				
5.	Others, please specify				
	Total				

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	....	....	....	....	....
Punishment	....	....	....	....	....
Compounding	....	....	....	....	....
B. DIRECTORS					
Penalty	....	....	....	....	....
Punishment	....	....	....	....	....
Compounding	....	....	....	....	....
C. OTHER OFFICERS IN DEFAULT					
Penalty	....	....	....	....	....
Punishment	....	....	....	....	....
Compounding	....	....	....	....	....

ANNEXURE-B

A. CONSERVATION OF ENERGY:

a) STEPS TAKEN ON CONSERVATION OF ENERGY:

The organisation pays wholehearted attention in respect of conservation of energy in both manufacturing and service departments. This is being closely monitored and controlled in a systematic plan and implemented it in a phased manner as follows:

- ✓ Continuing replacement of conventational choke/ballast of light fixtures by LED tube lights without choke as well as less wattage.
- ✓ Periodic checking of pre filters (20 micron) & final filters (5 micron) at regular interval for HVAC
- ✓ systems.
- ✓ Periodic checking, monitoring & maintenance of electrical system & distribution lines.
- ✓ Periodic checking of all Capacitor Banks & Monitoring of power factor of each bank.
- ✓ Periodic checking, renovation & modification of electrical system & distribution lines.
- ✓ Proper dosing of chemical to the Boiler feed water & circulating water of Cooling Tower.
- ✓ Continuing installation of Humidistat in the A.H.U. system for controlling RH of the room.
- ✓ Introducing switch off of all AIR HANDLING UNITS during lunch break.
- ✓ Periodic checking & monitoring of condensate recovery system, proper functioning of steam traps of steam distribution system, Proper insulation of steam lines.
- ✓ Periodic checking of Boiler Burner management system, periodic cleaning of smoke tubes, replacement of eroded nozzle.
- ✓ Close monitoring of steam Leakage & loss from steam distribution system & immediate corrective actions are taken as & when required.

b) IMPROVEMENTS:

Saving of electrical energy replacement of conventional tube lights by LED tube lights with low wattage leads to less consumption as well as getting higher illumination.

- ✓ With the practice of periodic cleaning of pre filter and final filter of all AHU system, so that, we can get maximum efficiency of compressor & blower which reduces runtime.
- ✓ Periodic electrical checking helps smooth production & reduce downtime.
- ✓ Periodic checking of Capacitor Bank helps to get improved power factor to the tune of 0.95 to 0.98 & gets rebate from CESC monthly basis.
- ✓ Considerable saving in power consumption by minimizing running hours & upgrading of AHU system in all departments.
- ✓ Reducing in consumption of F.O by taking above measures.
- ✓ By using chemical dosing to Boiler feed water & cooling water scale deposition reduced resulting better heat transfer & saving of power consumption.

IMPACT OF (a) AND (b):

The effect of (a) & (b) will enhance operational efficiency of the Company in future.

B. TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION :

1. EFFORTS MADE :

a) To improve the disintegration and dissolution characteristics of Enteromycetin Capules.
b) To improve the formulation for Solacid Suspension (Mint Flavor).
c) To improve the formulation for Solacid SUspension (Orange Flavor).
d) To improve the formulation for Solacid - O - Suspension.
e) To improve the formulation for MOM - PLUS Suspension.
f) To improve the formulation for Keo-Karpin Ayurvedic Massage Oil.
g) To improve the formulation for Zovax Oral Power Vet.
h) Acute oral toxicity evalution of Harbal Capsule Trasina in murine model.
i) Evaluation of acute oral toxicity study of Prostina : a polyherbal capsule on murine model.
j) Lipid lowring effect of Livina on high fat diet induced hyperlipidemia in experimental model.
k) Ameliorative effect of Ursodeoxycholec acid on NSAID induce hepatic injury in mice.

2. NEW PROCESS DEVELOPED :

a) New process developed for Enteromycetin Capsules.
b) New process developed for Solacid Suspension (Mint Flavor).
c) New process developed for Solacid Suspension (Orange Flavor). .
d) New process developed for Solacid - O - Suspension.
e) New process developed for MOM - PLUS Suspension.
f) New process developed for Keo-Karpin Ayurvadic Massage Oil.
g) New process developed for Zoxav Oral Vet Powder.

3. IMPROVEMENT IN THE PRODUCT & PROCESS :

a) Improvement in the product & process of Enteromycetin Capsules.
b) Improvement in the product & process of Solacid Suspension (Mint Flavor).
c) Improvement in the product & process of Solacid Suspension (Orange Flavor).
d) Improvement in the product & process of Solacid - O - Suspension.
e) Improvement in the product & process of MOM - PLUS Suspension.
f) Improvement in the product & process of Keo-Karpin Ayurvadic Massage Oil.
g) Improvement in the product & process of Zoxav Oral Powder Vet.

4. BENEFITS:

A few of the above products have already been placed in the market. Other products will be in the market soon.

5. IMPORTED TECHNOLOGY:

Technology knowhow for manufacture of Magnesium Hydroxide, a Bulk Drug imported by us, has been fully absorbed. The technical knowhow imported in the year 1968 by erstwhile Dey-Se-Chern Ltd., now amalgamated with the company for manufacture of the Bulk Drugs Chloramphenicol Powder and Chloramphenicol Palmitate from basic chemical. Para Nitro Acetophenone could not be absorbed by the Company due to uneconomical cost in production.

6. EXPENDITURE ON R & D :

	(Rs. in lakhs)
Capital Expenditure	4.63
Recurring (including Market Research & Development)	125.49
Total Expenses	130.12
Total as % of Revenue from Operations	1.32

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

		(Rs. in lakhs)
1.	Foreign Exchange Export Sales (FOB)	NIL
2.	Foreign Exchange Outgo (including raw Materials, spare parts, Capital Goods and other Expenditure in foreign currency).	345.86

ANNEXURE-C

ANNUAL REPORT ON CSR

1. A brief outline of the company's CSR policy including overview of prospects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and prospects or programs -

   Policy contained activities which include -
   (a) Contribution to Prime Minister National Relief Fund
   (b) Eradicating Extreme Hunger and Poverty
   (c) Promoting Education
   (d) Promoting Healthcare
   (e) Social Business Projects
   (f) Ensuring Environmental Sustainability
   (g) Rural Development Projects
   (h) Promoting Sports

2. The composition of the CSR Committee
   (i) Mr. Gautam Dey, Managing Director
   (ii) Mr. Ranajit Dey, Joint Managing Director
   (iii) Mr. Subharthee Dey, Whole-time Director

3. Average net profit of the Company for last three financial years.
   Rs.5,89,68,597/- (Rupees Five Crore Eighty-nine Lakh Sixty-eight Thousand Five Hundred Ninety-seven) only.

4. Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above) : Rs.11,79,372/- (Rupees Eleven Lakhs Seventy-nine Thousand Three Hundred Seventy-two) only.

5. Details of CSR spent during the financial year
   (a) Total amount to be spent for the financial year : Rs.11,79,372/-
   (b) Amount unspent, if any : NIL

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

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in Which the project is covered	Project or Programs - (1) Local Area or Other (2) Specify the State and the District Where project were undertaken	Amount outlay (Budget Project or Programs wise	Amount spent on the project or programs sub-heads - 1. Direct expenditure on project or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency
1.	Contribution to Prime Minister Relief Fund	Not Applicable	Not Applicable	Rs.11,79,372	Rs.11,79,372	Rs.11,79,372	Rs.11,79,372

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reason for not spending the amount in its Board Report.

NOT APPLICABLE

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company.

The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

Gautam Dey
(Chairman, CSR Committee)
(DIN : 01277238)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF
DEY'S MEDICAL STORES (MANUFACTURING) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **DEY'S MEDICAL STORES (Manufacturing) LIMITED** which comprise the Balance Sheet as at **31st March, 2018**, the Statement of Profit & Loss, Cash Flow Statement for the year ended on that date 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 and presentation 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under **Section 143(11)** 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 the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

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 :

a) In the case of the Balance Sheet, the state of affairs of the Company as at **31st March, 2018;**

b) In the case of the Statement of Profit and Loss, the **profit** of the Company for the year ended on that date and

c) Its Cash Flow Statement, of the Cash Flows of the Company 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 section **143(11)** of the Act, we give in the **Annexure- A** statement on the matters specified in the paragraph 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 it appears from our examination of those books;

   c. The balance sheet, the 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, as applicable.

e. On the basis of the written representations received from the directors as on **31st March 2018** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March 2018** from being appointed as a director in terms of **Section 164(2)** of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and

g. 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:

i) Demands aggregating to Rs. 40549 thousand tentatively had been raised on Dey's Medical Stores (Mfg) Ltd in 1987,1990 and 1995 for payment into the Drug Price Equalisation Account (DPEA) under the DPCO 1979 and 1987 read with DPCO 1995,being the difference between the price of bulk drugs, according to the Government. The Company disputed the said demands and obtained legal advice that such demands are not sustainable in law.

ii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Kolkata, dated the 30th August, 2018
No.6, Old Post Office Street,
Kolkata - 700001

For NUNDY ROY & CO
Chartered Accountants
Registration No. 301049E

(D.K.SAHA)
Partner
Membership No. 55132

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of our Report of Even Date)

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management in a phased manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification during the year.

(c) The title deeds of immovable properties are held in the name of the Company.

(ii) As explained to us, physical verification of the inventory was carried out at reasonable intervals by the management and no materials discrepancies were noticed.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 except advances to its holding company Dey's Medical Stores Private Limited and the amount due as on 31st March 2018 is Rs. 22,11,403.00.

(iv) Inrespect loans, investments, guarantees, and security, according to information available to us and explanation given by the company, provisions of section 185 & 186 of the Companies Act 2013 have been applied with.

(v) The Company has not accepted any deposit from public.

(vi) As explained to us, cost records as prescribed by the Central Government under Sub-Section(1) of Sec.148 of the Companies Act, 2013 have been maintained by the Company. We have not, however, made a detailed examination of the records maintained.

(vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Value Added Tax, GST and any other statutory dues applicable to it, with the appropriate authorities during the year.

(b) According to the information and explanations given to us, there are no such dues of Provident Fund, Employees State Insurance, Income-tax, Value Added Tax, GST which have not been deposited on account of any dispute pending before any forum.

(viii) On the basis of our examination and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any Bank. The Company has not obtain any borrowings from any Financial Institutions or by way of debentures.

(ix) The Company has not taken any Term Loan during the year. Accordingly Clause-11 of the Order is not applicable. The Company has not raised money by way of initial public offer or further public offer (including Debt, Instruments).

(x) In our opinion and according to the information and explanations given to us the Company has no fraud on or by the Company been noticed or reported during the year.

(xi) The Company has paid managerial remuneration (Director's commission) in accordance with the provision of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company;

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For NUNDY ROY & CO
Chartered Accountants
Registration No. 301049E

(D.K.SAHA)
Partner
Membership No. 55132

Kolkata, dated the 30th August, 2018
No.6, Old Post Office Street,
Kolkata - 700001

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph **2(f)** under the heading " Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under **clause (i)** of **sub-section 3** of **section 143** of the Act of the **DEY'S MEDICAL STORES (Manufacturing) LIMITED** for the year ended **31st March 2018**,, we report that :
We have audited the internal financial controls over financial reporting of the **DEY'S MEDICAL STORES (Manufacturing) LIMITED** ('the Company) as of **31st March 2018** 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 ('ICAI'). 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 **Company's Act, 2013**.

AUDITORS' 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 ICAI. 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 auditors' judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 and 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 2018**, 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 ICAI.

For NUNDY ROY & CO
Chartered Accountants
Registration No. 301049E

(D.K.SAHA)
Partner
Membership No. 55132

Kolkata, dated the 30th August, 2018
No.6, Old Post Office Street,
Kolkata - 700001

Dey's

Dey's Medical Stores
(Manufacturing) Limited

STATEMENT OF ACCOUNTS

For the year ended 31st March, 2018

Balance Sheet as at 31st March 2018

		Note No	(RUPEES IN THOUSANDS) As at 31.3.2018	As at 31.3.2017
I.	**EQUITY AND LIABILITIES :**			
	1. Shareholders' Funds :			
	(a) Share Capital	2	8512	8512
	(b) Reserve & Surplus	3	459267	436959
	2. Non Current Liabilities :			
	(a) Long-Term Borrowings	4	11527	12271
	(b) Deferred Tax Liabilities (Net)	5	(1725)	(1368)
	(c) Long-Term Provisions	6	73112	62226
	3. Current Liabilities :			
	(a) Short-Term Borrowings	7	5930	5254
	(b) Trade Payables	8	56170	51995
	(c) Other Current Liabilities	9	50005	42130
	(d) Short-Term Provisions	10	1026	1537
	Total :		663824	619516
II.	**ASSETS :**			
	1. Non-Current Assets :			
	(a) Fixed Assets			
	Tangible Assets	11	55596	60341
	(b) Non-Current Investments	12	10	10
	(c) Long-Term Loans and Advances	13	85296	59571
	(d) Other Non-Current Assets	14	61370	39000
	2. Current Assets :			
	(a) Inventories	15	220708	246996
	(b) Trade Receivables	16	96459	105073
	(c) Cash and Cash Equivalents	17	102258	100731
	(d) Short-Term Loans and Advances	18	42127	7794
	Total :		663824	619516

Notes 1 to 28 are an integral part of these financial statements.

In terms of our separate report of even date

for **NUNDY ROY & CO.**
Chartered Accountants

CA. D. K. SAHA,
Partner

No. 6, Old Post Office Street
Kolkata, the 30th August, 2018

Sd/–
GAUTAM DEY
Managing Director
Sd/–
RANAJIT DEY
Joint Managing Director
Sd/–
SUBHARTHEE DEY
Wholetime Director

Statement of Profit and Loss for the year ended 31st March 2018

	Note No.		(RUPEES IN THOUSANDS) Year ended 31.3.2018		Year ended 31.3.2017
INCOME :					
Revenue from operations	19		983243		1009947
Other Income	20		6130		9146
TOTAL REVENUE :			989373		1019093
EXPENDITURE :					
Cost of Materials consumed	21		282344		335133
Purchases of Traded Goods	22		75984		84643
Changes in inventories of Finished Goods, Work-In-Progress and Traded Goods	23		31322		(28795)
Employee benefits expense	24		327886		312956
Finance costs	25		1287		2094
Depreciation & Amortisation expense	26		7957		8776
Other expenses	27		226910		217728
TOTAL EXPENSES :			953690		932535
Profit before exceptional and extraordinary items and tax			35683		86558
Exceptional Items			–		–
Profit before extraordinary items and tax			35683		86558
Extraordinary Items			–		–
Profit before tax			35683		86558
TAX EXPENSES :					
Current Tax		12272		30065	
Deferred Tax charge/ (Credit)		(357)		(514)	
Tax adjustments related to previous year		–	11915	(1907)	27644
Profit for the Period			23768		58914
Earning per equity share :					
(i) Basic			27.92		69.21
(ii) Diluted			27.92		69.21

Notes 1 to 28 are an integral part of these financial statements.

In terms of our separate report of even date

for **NUNDY ROY & CO.**
Chartered Accountants

CA. D. K. SAHA,
Partner

No. 6, Old Post Office Street
Kolkata, the 30th August, 2018

Sd/–
GAUTAM DEY
Managing Director
Sd/–
RANAJIT DEY
Joint Managing Director
Sd/–
SUBHARTHEE DEY
Wholetime Director

Cash Flow Statement For the Year Ended 31.03.2018

	(Rupees in Thousand)			
	2017-18		2016-17	
A. Cash Flow from Operating Activities :				
Net Profit before tax & Extra ordinary items		35683		86558
Adjustment for :-				
Depreciation	7957		8776	
Interest Income	(6070)		(8833)	
(Profit) / loss on sale of Assets	(22)		(31)	
Finance Costs	1287		2094	
		3152		2006
Operating Profit Before Wroking Capital Changes		38835		88564
Adjustment for :-				
Decrease/(Increase) in Trade & Other Receivables	(25719)		(8724)	
Decrease/(Increase) in Inventories	26288		(26856)	
(Decrease)/Increase in Trade and other payables	12726		(2949)	
		13295		(38529)
Cash generated from operation		52130		50035
Income Tax Paid (net of refunds)		(27246)		(31772)
Net Cash from Operating Activities		24884		18263
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(3669)		(3664)	
Proceeds from sale of Fixed Assets	45		33	
Interest Income	6070		8833	
Net Cash used in Investing Activities		2446		5202
C. Cash Flow from Financing Activities :				
Long-term Loans & Advances Availed/(Paid) (Net)	(22979)		1418	
Finance Cost	(1287)		(2094)	
Dividend Paid	(1277)		(1277)	
Tax on Dividend	(260)		(260)	
Net Cash used in Financing Activities		(25803)		(2213)
Net increase/(decrease) in Cash & Cash Equivalents		1527		21252
Cash & Cash Equivalents at the beginning of the year		100731		79479
Cash & Cash Equivalents at the closing of the year		102258		100731

Note : The Cash Flow Statement has been prepared under the "Indirect method" as set out in the Accounting Standard 3 : "Cash Flow Statements".

In terms of our seperate report of even date

for **NUNDY ROY & CO.**
Chartered Accountants
D. K. SAHA, FCA
Partner
No. 6, Old Post Office Street
Kolkata, the 30th August, 2018

Sd/-
GAUTAM DEY
Managing Director
Sd/-
RANAJIT DEY
Joint Managing Director
Sd/–
SUBHARTHEE DEY
Wholetime Director

Notes to Financial Statements for the year ended 31.03.2018

NOTE : 1

1. Significant Accounting Policies :

(a) Method of Accounting :
These Financial Statement have been prepared to comply with the Generally Accepted Accounting principles in India, including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.
The financial statements are prepared on accrued basis under historical cost convention, except for Land and Factory Buildings which are carried at revalued amounts.

(b) Recognition of Income & Expenses :
- i) Sales and Purchases are accounted for, on the basis of passing of the title to the goods.
- ii) Sales comprise of sale price of goods including Excise Duty but exclude Trade Discount VAT & GST.
- iii) Service income excludes Service Tax & GST.
- iv) All item of Income & Expenses have been accounted for on accrual basis except for those income stipulated for recognition on realisation basis on the ground of uncertainty under AS-9.

(c) Research and Development :
Revenue expenditure on Research and Development is charged out as expenses in the year in which it is incurred. Capital Expenditure, if any, on Research and Development is included in Fixed Assets and the Depreciation is provided on the same basis as on other assets.

(d) Retirement Benefits :
Contribution to Provident Funds and Pension Funds are accounted for on actual liability basis. Liabilities in respect of Gratuity Fund have been accounted for on the basis of amount paid/ payable to Life Insurance Corporation of India under their respective schemes.

(e) Depreciation :
Depreciation on Fixed Assets is provided to the extent of depriciable amount on the written down value method in terms of the useful life of assets specified in Schedule II of the Companies Act '2013, except for the Factory Building the estimated useful life is still remaining for 21 years with effect from April '2014, based on an independent technical study and evaluation of the useful life of the asset conducted in this regard and management's assessment thereof.

(f) Excise Duty on Finished Goods :
Excise Duty in respect of goods manufactured by the Company is accounted for irrespective of the fact whether it is lying at the department or removed from the factory for sale and/or Captive Consumption.

(g) CENVAT :
CENVAT benefits have been accounted for in the year of purchase reducing the purchase cost of the materials and CENVAT benefits on services accounted for reducing the relevant expenditure.

(h) Capitalization of Expenditure :
Expenses which are of Capital in nature are capitalised at cost.

(i) Inventories :
Inventories are valued as under :
Raw Materials and Packing Materials at Weighted Average Cost.
Stores and Spares at cost.
Work-in-Progress is valued at cost.
Finished Goods at cost.
Traded Goods at cost.

(j) Foreign Currencies :
Transactions in Foreign Currencies are converted into Rupee at the rate at which it is debited/ credited by the bank.

Notes to Financial Statements for the year ended 31.03.2018

	(RUPEES IN THOUSAND) As at 31.3.2018	As at 31.3.2017
NOTE - 2 : Share Capital		
a) Authorised Share Capital :		
9,50,000 Equity Shares of Rs. 10/- each (2016-17 : 950000 Equity Shares of Rs. 10/- each)	**9500**	9500
5,000 12% Taxable Cumulative Preference Shares of Rs. 100/- each (2016-17 : 5,000 12% Taxable Cumulative Preference Shares of Rs. 100/- each)	**500**	500
TOTAL :	**10000**	10000
b) Issued, Subscribed and Paid-up		
8,51,186 Equity Shares of Rs. 10/- each (2016-17 : 851186 Equity Shares of Rs. 10/- each)	**8512**	8512

c) Details of Shareholders holding more than 5% of the aggregate Shares in the Company

Name of the Shareholder	As at 31.3.2018 Number of Shares	As at 31.3.2018 % of holding	As at 31.3.2017 Number of Shares	As at 31.3.2017 % of holding
Dey's Medical Stores Pvt. Ltd. (Holding Company)	**836491**	**98.27**	836491	98.27

d) Reconcilliation of the Equity Shares outstanding at the beginning and at the end of the reporting period

	As at 31.3.2018 Number of Shares	As at 31.3.2018 Amount Rs'000	As at 31.3.2017 Number of Shares	As at 31.3.2017 Amount Rs' 000
At the begining of the year	**851186**	**8512**	851186	8512
Add/Less : During the year	-	-	-	-
At the end of the year	**851186**	**8512**	851186	8512

Notes to Financial Statements for the year ended 31.03.2018

		(RUPEES IN THOUSAND)		
		As at 31.3.2018		As at 31.3.2017
NOTE : 3 Reserves and Surplus				
a) Capital Reserve				
Acquisition of Building				
As per last Balance Sheet	**4279**		4763	
Less : Depreciation on Increased Value of Assets due to Acquistion	**435**		484	
		3844		4279
Revaluation of Factory, Land & Building		**1270**		1270
b) General Reserve				
As per last Balance Sheet	**218119**		198119	
Add : Transferred from Surplus	**10000**		20000	
Less : Adjustment relating to Fixed Assets (Refer Note No. 11)	**1**		-	
		228120		218119
c) Surplus				
As per last Balance Sheet	**213291**		175914	
Add : Profit for the year	**23768**		58914	
Less : Appropriations				
Proposed Dividend on Equity Shares	**851**		1277	
Tax on Dividend	**175**		260	
Transferred to General Reserve	**10000**		20000	
		226033		213291
		459267		436959

Notes to Financial Statements for the year ended 31.03.2018

	(RUPEES IN THOUSAND)	
	As at 31.3.2018	As at 31.3.2017
NOTE : 4. LONG TERM BORROWINGS		
Unsecured Loans and Advances		
Security Deposit	11507	12251
Government Subsidy	20	20
	11527	12271
NOTE : 5. DEFERRED TAX LIABILITIES (Net) :		
Deferred Tax Liabilities :	(1368)	(854)
Less : Deferred Tax Assets :	(357)	(514)
	(1725)	(1368)
NOTE : 6. LONG TERM PROVISIONS		
For Income Tax	71887	61001
For Frindge Benefit Tax	1225	1225
	73112	62226
NOTE : 7. SHORT TERM BORROWING		
Unsecured :		
For Advance from Customer	5930	5234
NOTE : 8. TRADE PAYABLES		
For Goods and Expenses	56170	51995
NOTE : 9. OTHER CURRENT LIABILITIES		
Statutory Liabilities	25516	12501
Other Liabilities	24433	29570
Unpaid Dividend	56	59
	50005	42130
NOTE : 10. SHORT TERM PROVISIONS		
For Proposed Dividend	851	1277
For Dividend Tax	175	260
	1026	1537

NOTE : 11

FIXED ASSETS

(RUPEES IN THOUSANDS)

DESCRIPTION	COST				DEPRECIATION					Adjustment with Retained earnings upto 31.3.18	NET BK. VALUE	
	As at 1.4.17	Additions / Adjust-ments	Deductions / Adjust-ments	As at 31.3.18	Upto 1.4.17	For the Year	Acquisition Charged to Capital Reserve	Deductions /Adjust-ments	Upto 31.3.18		As at 31.3.18	As at 31.3.17
Tangible Asset												
Land	13512 *	—	—	13512	—	—	—	—	—	—	13512	13512
Building	12406 **	—	—	12406	4810	329	435	—	5574	—	6832	7596
Factory Building	84479 #	—	—	84479	75410	595	—	—	76005	—	8474	9069
Plant, Machinery & Equipments	163202	1489	—	164691	134083	6020	—	—	140103	560	24028	28559
Furniture & Fittings	8545	41	—	8586	8091	124	—	—	8215	—	371	454
Vehicles	7764	2139	22	9881	6605	889	—	—	7494	8	2379	1151
TOTAL	**289908**	**3669**	**22**	**293555**	**228999**	**7957 (*)**	**435**	**—**	**237391**	**568**	**55596**	**60341**
Previous Year	286247	3664	3	289908	219739	8776 (*)	484	—	228999	568	60341	65940

(*) Depreciation on Fixed Assets for the year is provided to the extent of depreciable amount on the written down value method in terms of the useful life of assets specified in Schedule II of the Companies Act '2013.

(**) Flats acquired in Financial Year 2006-07, valued Rs. (in thousands) 72,51 are capitalised by crediting Capital Reserve in the Financial Year 2010-11

(#) Land & Factory Buildings have been revalued by a Chartered Engineer and Government Registered Valuer on 31.03.1992. The net increase on Revaluation amounting to Rs. (in thousands) 84657 (Land 13257 and Factory Buildings 71390) has been credited to Capital Reserve on 31.03.1992.

Notes to Financial Statements for the year ended 31.03.2018

	(RUPEES IN THOUSAND) As at 31.3.2018	As at 31.3.2017
NOTE : 12 NON CURRENT INVESTMENT		
Government Securities (Unquoted) (Deposited with Excise Department)		
National Plan Bonds	9	9
National Savings Certificates	1	1
	10	10
NOTE : 13 LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good :		
For Security Deposit	5984	6008
For Income-Tax	77424	50178
For Fringe Benefit Tax	---	1386
For Others	1888	1999
	85296	59571
NOTE : 14 OTHER NON-CURRENT ASSETS		
Margin Money for Letter of Credit/Bank Guarantee	1200	10100
Fixed Deposit - Margin for Cash Credit	10195	-
Fixed Deposit	49975	28900
	61370	39000
NOTE : 15 INVENTORIES		
As taken, valued at cost and certified by the Management		
Raw Materials and Packing Materials	39404	38984
Manufactured Intermediaries	120	235
Work-in-progress	10785	13482
Finished Goods	151416	179403
Traded Goods	13662	14185
	215387	246289
Stock in Transit of Finished Goods	4610	--
Stores & Spare Parts	711	707
	220708	246996

Notes to Financial Statements for the year ended 31.03.2018

(RUPEES IN THOUSAND)

		As at 31.3.2018		As at 31.3.2017
NOTE : 16. TRADE RECEIVABLES				
(i) Receivables outstanding for a period exceeding six months :				
a) Considered Good in respect of which the Company is fully Secured	1106		1152	
b) Considered Good - Unsecured	3255		2842	
		4361		3994
(ii) Others Receivables :				
a) Considered Good in respect of which the Company is fully Secured	6561		6431	
b) Considered Good - Unseceured	85537		94648	
		92098		101079
		96459		105073
NOTE : 17. CASH AND CASH EQUIVALENT				
a) Bank Balance :				
With Scheduled Banks of Current Account	55861		19244	
In Unpaid Dividend Accounts	56		59	
Margin Money for Letter of Credit/Bank Guarantee	9900		15000	
Fixed Deposit – Margin for Cash Credit	---		1200	
Fixed Deposit	26975		52900	
		92792		88403
b) Cheques in hand		1438		1755
c) Cash Balance :				
In hand	627		628	
In transit	7401		9945	
		8028		10573
		102258		100731

The Company has a Cash Credit Account with UCO Bank, New Market Branch, Kolkata-700 087, by pledging of Fixed Deposits. However, the Company has a favourable balance as at 31st March, 2018 in the Cash Credit Account.

NOTE : 18. SHORT TERM LOANS AND ADVANCES				
For Purchase		1993		4122
Related Parties		5755		1601
Dey's Medical Stores Pvt. Ltd. (Holding Company)		2211		(5248)
For Sundries		1993		1951
Interest Accrued on Fixed Deposits		224		6
Balance with Govt. Authorities				
For Excise	42		1353	
For Service Tax	–		2979	
For Value Added Taxes	–		1030	
For Goods on Service tax	29909	29951		5362
		42127		7794

Notes to Financial Statements for the year ended 31.03.2018

(RUPEES IN THOUSAND)

	As at 31.3.2018		As at 31.3.2017	
NOTE : 19. REVENUE FROM OPERATIONS				
a) Sale of Products				
Finished Goods	867428		938261	
Traded Goods	116078		133559	
	983506		1071820	
Less : Excise Duty	4007		66626	
		979499		1005194
b) Sale of Services				
Royalty and License Fee	65		269	
Sales Promotion Expenses Realised	975		2661	
Handling & Collection Charges	457		740	
		1497		3670
c) Other Operating Revenue				
Miscellaneous Receipts		2247		1083
		983243		1009947
NOTE : 20. OTHER INCOME				
Interest		6070		8833
Insurance Claim		38		282
Profit on Sale of Assets		22		31
		6130		9146

Notes to Financial Statements for the year ended 31.03.2018

	(RUPEES IN THOUSAND)	
	Year Ended 31.3.2018	Year Ended 31.3.2017
NOTE : 21. COST OF MATERIALS CONSUMED		
Opening Stock	**38984**	40891
Add : Purchases	**282764**	333226
	321748	374117
Less : Closing Stock	**39404**	38984
TOTAL :	**282344**	335133
NOTE : 22. PURCHASES OF TRADED GOODS		
Purchases of Traded Goods	**75984**	84643

NOTE : 23. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

	Closing Stock :			
	Finished Goods	**151416**	179403	
	Work-in-Progress	**10785**	13482	
	Traded Goods	**13662**	14185	
	Manufactured Intermediaries	**120**	235	
		175983		207305
Less :	Opening Stock :			
	Finished Goods	**179403**	152663	
	Work-in-Progress	**13482**	11175	
	Traded Goods	**14185**	14570	
	Manufactured Intermediaries	**235**	102	
		207305		178510
		31322		(28795)

Notes to Financial Statements for the year ended 31.03.2018

(RUPEES IN THOUSAND)

	Year Ended 31.3.2018	Year Ended 31.3.2017
NOTE : 24. EMPLOYEE BENEFITS EXPENSE		
Salary, Wages, Bonus and Allowances	272300	269681
Contribution to Employees' Gratuity Fund	11000	7500
Contribution to Employees' Provident Fund	8505	7956
Contribution to Employees' Pension Fund	12339	12250
One time Settlement	6428	4239
Employees' State Insurance	8234	2522
Workmen and Staff Welfare Expenses	9080	8808
	327886	312956
NOTE : 25. FINANCE COST		
Interest Expenses	1007	1689
Bank Charges	280	405
	1287	2094
NOTE : 26. DEPRECIATION & AMORTISATION EXPENSE		
Depreciation on Tangible Assets	7957	8776

Notes to Financial Statements for the year ended 31.03.2018

	(RUPEES IN THOUSAND)	
	Year Ended 31.3.2018	Year Ended 31.3.2017
NOTE : 27.		
Other Expenses :		
Power, Light & Fuel	**19483**	18836
Rent	**6837**	6614
Repairs —		
To Buildings	**4074**	5277
To Machineries	**20668**	18425
[Including Rs. 1913 (2016-17 Rs. 1287) for spare parts consumed]		
To others	**5907**	5404
Insurance	**2427**	2321
Rates & Taxes	**770**	979
Sundry Manufacturing Expenses	**2881**	2003
Travelling, Conveyance & Motor car	**56389**	57149
Publicity & Advertisement	**24876**	27370
Telephone Charges	**1071**	1247
Printing & Stationery	**4440**	5743
Postage & Telegram	**1185**	1429
General Charges	**4442**	3506
Liveries & Draperies	**408**	491
Magazine & Journals	**295**	184
Entertainment	**611**	475
Internal Auditors' Remuneration	**1076**	1097
Freight, Handling & Delivery	**30854**	29489
Subscription	**294**	292
Trade Mark Expenses	**176**	159
Law Charges	**1046**	1328
Commission to C & F Agent	**13461**	11955
Research & Testing	**6849**	5053
Royalty Paid	**1077**	757
Commission to Directors	**1070**	2597
Auditors' Remuneration		
Audit Fee	**300**	300
Out of Pocket Expenses	**60**	60
In other capacity (for Tax Audit, Vat Audit Miscellaneous Certification)	**105**	110
Cost Audit Fee	**98**	86
Service Tax	**449**	684
Profession Tax	**22**	27
Breakage	**3345**	2281
Bad Debts Written off	**9**	28
Entry Tax	**743**	3109
C. S. R. Expenditure	**1179**	863
Operational Expenditure for C&F Agent	**201**	–
GST Compensation	**5481**	–
GST Paid	**2251**	–
TOTAL :	**226910**	**217728**

Notes to Financial Statements for the year ended 31.03.2018

NOTE : 28

1. Related Party Disclosure :

SL. NO.	NAME OF THE PARTY	NATURE OF RELATIONSHIP	TRANSACTIONS DURING THE YEAR
i) (a)	Dey's Medical Stores Pvt. Ltd.	Holding Company	Interest paid on Inter company advance is Rs. 2,09 Thousand. (Closing Balance on Inter Co. A/C is Rs.22,11 thousand as on 31.03.2018)
(b)	- do -	Holding Company	Sales Promotion Expense paid Rs. 37,55 thousand (Net).
(c)	- do -	Holding Company	Royalty payment made Rs. 10,77 thousand (Net).
ii) (a)	Dey's Medical (U.P.) Pvt. Ltd.	Associated Company	Sales Promotion Expense Realised Rs. 9,76 thousand (Net)
(b)	- do -	Associated Company	Royalty fees received Rs. 65 thousand (Net).
(c)	- do -	Associated Company	Handling & Collection Received Rs. 4,57 thousand (Net).
(d)	- do -	Associated Company	Finished goods purchased worth Rs. 1,95,50 thousand.
(e)	- do-	Associated Company	Advertisement Expenses recovered Rs. 21,43 thousand (Net).
iii)	Mr. Gautam Dey	Managing Director	Commission paid Rs. 3,57 thousand
	Mr. Ranajit Dey	Jt. Managing Director	Commission paid Rs. 3,57 thousand
	Mr. Subharthee Dey	Wholetime Director	Commission paid Rs. 3,57 thousand

This disclosure is made due to application of Accounting Standard 18 (AS-18) issued by The Institute of Chartered Accountants of India.

Notes to Financial Statements for the year ended 31.03.2018

2. A clause in the earlier DPCO stipulated that if the manufacturer purchases the Bulk Drug at a price lower than the price allowed to him by the Government while fixing the price of his formulations, then in such cases the difference to be paid to the Government by the manufacturer.The Government of India had appointed a committee consisting of three members headed by a retired High Court Judge to go into the demands made on the pharmaceutical companies including Dey's Medical Stores (Mfg.) Ltd. under the DPCO.Demands aggregating to Rs. 40549 thousand tentatively had been raised on Dey's Medical Stores (Mfg) Ltd in 1987,1990 and 1995 for payment into the Drug Price Equalisation Account (DPEA) under the DPCO 1979 and 1987 read with DPCO 1995,being the difference between the price of bulk drugs, according to the Government.The Company disputed the said demands and obtained legal advice that such demands are not sustainable in law.

3. Sale of Products excludes VAT, CST & GST of Rs.107147 thousand (Previous year VAT & CST Rs.62238 thousand).

4 **Contingent Liabilities not provided for :-**

Counter Guarantee given by the Company to the bank against guarantee given by the bank on account of Purchase of Raw Materials from Foreign Suppliers amounted Rs.5949 thousand against Rs.6128 thousand in the previous year.

5. Amount due to Micro & Small enterprises under MSMED Act,2006 is Rs.1834 thousand (Previous year Rs.1426 thousand). This information has been determined to the extent such parties have been identified on the basis of information available with the company.

No interest liability has been accrued on account of default in payment to relevant enterprises.

6. The particulars of non-resident Shareholders, to whom dividends were declared and paid during the year, are as under :-

		Current Year	Previous Year
i)	Number of non-resident shareholders	**1**	1
ii)	Number of Ordinary Shares held by them	**68**	68
iii)	Gross amount of dividend (Rs.)	**68**	102
iv)	Years to which dividend relates	**2017-18**	2016-17

		(Rs. in thousands)	
7.	**Value of Imports on CIF Basis :-**		
	Raw Materials	**34886**	49160
8.	**Earnings in Foreign Currency-Export on FOB Basis**	**-**	-

Notes to Financial Statements for the year ended 31.03.2018

9. CONSUMPTION OF MATERIALS :

(RUPEES IN THOUSANDS)

		Year Ended 31.3.2018 Value	Year Ended 31.3.2017 Value
i)	L-Base	**35172**	54103
ii)	Chloramphenicol Palmitate	**31186**	47783
iii)	Others - include materials (None of which individually accounts for more than 10% of total consumption)	**215986**	233247
		282344	335133

		Value	%	Value	%
a)	Raw Materials & Packing Materials :				
	Imported (including Duty & Clearing Charges)	**35172**	**12.46**	54103	16.14
	Indigenous	**247172**	**87.54**	281030	83.86
		282344	**100.00**	335133	100.00
b)	Components & Spare Parts :				
	Imported	–	–	–	–
	Indigenous	**1913**	**100.00**	1287	100.00
		1913	**100.00**	1287	100.00

10. The Company is exclusively engaged in the business of Pharmaceuticals Products which is considered as the only reportable segment referred to in Statement on Accounting Standard (AS 17) for segmental reporting.

11. As per Assessment of the Company no provision is required for impairment of assets during the Financial Year.

12. (i) The Company has given advances (due to inter-company transactions) to its holding company, Dey's Medical Stores Pvt. Ltd. and the amounts due as on 31st March, 2018 is Rs.2211 thousand (Previous year Rs. 5248 thousand) was due to the Holding Company.

    (ii) The Company has accepted Security Deposit time to time from its Customers and C & F Agents and amount due as on 31st March, 2018 is Rs.11507 thousand (Previous year Rs. 12251 thousand).

13. Previous year's figures have been regrouped/rearranged wherever necessary.