

MERCURY LABORATORIES LIMITED

Date: September 01, 2022

**To,
BSE Limited,
Corporate Relationship Department
25th Floor, Phirozee Jeejeebhoy Towers,
Dalal Street, Mumbai-400001
Scrip Code: 538964**

Subject: Notice of 41st Annual General Meeting(AGM) and Annual Report for the year 2021-22

Dear Sir/Madam,

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company along with the Notice of 41st AGM for the financial year 2021-22 which is being sent through electronic mode to the Members.

The schedule of AGM is set out below:

Event	Date	Time
Relevant Date/cut-off date to vote on AGM resolution	September 20,2022	NA
Closure of register of members and share transfer books	From September 21,2022 to September 27,2022(both day inclusive)	NA
Commencement of E-voting	September 24,2022	9.00 AM
End of E-voting	September 26,2022	5.00 PM
AGM(through VC/OAVM)	September 27,2022	11.30 AM

Kindly take the above information on your record.

Thanking you,

Yours faithfully,

For Mercury Laboratories Limited

Krishna Shah

Digitally signed by Krishna
Shah
Date: 2022.09.01 18:09:50
+05'30'

**Krishna Shah
Company Secretary**

Encl.: As above

Head Office & Factory - 1 :
2/13-14, Gorwa Industrial Estate, Gorwa,
Vadodara - 390 016, Ph. : 0265 2280180.
E-mail : mllbrd@mercurylabs.com

Factory - 2 :
Halol-Vadodara Road, Vill. : Jarod,
Vadodara - 391 510. Ph. : 02668 274312.

Regd. Office :
1st Floor 18, Shreeji Bhuvan, 51, Mangaldas Road,
Princess Street, Mumbai - 400 002. Ph. : 022 66372841.
Fax : 022 2201 5441. E-mail : secretarial@mercurylabs.com

41st ANNUAL REPORT 2021-22



BOARD OF DIRECTORS

Mr. Rajendra R Shah	:	Managing Director
Mr. Dilip R Shah	:	Non-Executive Director
Mr. Divyakant R Zaveri	:	Chairman & Independent Non-Executive Director
Mr. Bharat D Mehta	:	Independent Non-Executive Director
Mr. Paresh Mistry	:	Non-Executive Director
Ms. Janki R Shah	:	Non-Executive Director

KEY MANAGERIAL PERSONNEL

Ms. Enu Khandelwal	:	Chief Financial Officer (upto June 22, 2022)
Mr. Ashish Vasavada	:	Chief Financial Officer (w.e.f. October 21, 2022)
Ms. Kinjal Khandelwal	:	Company Secretary (upto January 31, 2022)
Ms. Krishna Shah	:	Company Secretary (w.e.f. January 31, 2022)

BANKERS	:	HDFC Limited
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STATUTORY AUDITORS	:	R. J. Shah & Associates Chartered Accountants D-408, Fifth Floor, Aviskar Complex, Old Padra Road, Vadodara - 390 015.
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REGISTERED OFFICE	:	First Floor 18, Shreeji Bhuvan, 51, Mangaldas Road, Princess Street, Mumbai - 400 002. Tele. : 022-66372841. E-mail : mllbom@mtnl.net.in / mllbrd@mercurylabs.com.
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CORPORATE IDENTIFICATION NO.:	L74239MH1982PLC026341
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WEBSITE	:	www.mercurylabs.com
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E-MAIL	:	secretarial@mercurylabs.com / mllbrd@mercurylabs.com
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HEAD OFFICE & UNITS**UNIT No. 1**

2/13-14, Gorwa Industrial Estate,
Gorwa Road, Vadodara - 390 016
Telephone : 0265-2280180
E-mail : mllbrd@mercurylabs.com

UNIT No. 2

Village : Jarod,
Halol-Baroda Road,
Ta. Waghodia,
Dist. Vadodara.

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ABOUT COMPANY

For more than 6 decades, we have been at the forefront of formulating, developing, marketing and distributing safe, innovative and cost-effective pharmaceuticals that help to improve the quality of life of patients. In so doing, we have delivered long-term, profitable returns to our investors, value to our partners and rewarding career to our employees. We are mainly dedicated to Mother & Child Healthcare.

We have state of the art modern manufacturing facility spread in 435600 sq. ft. (40,468 sq. mt.) of land. The technology delivers products like of international standards and specifications. The expertise of skilled and professional manpower ensures that our customers get new products & packaging as per need of their country and regulatory standards. At present, our facilities are up to the mark of the international standards and quality. We have separate manufacturing units for Tablets, Oral Liquids and Injections, small volume Parenteral & Ophthalmic Preparation.

Mercury's manufacturing facilities is designed, equipped and operated to deliver high quality products within defined cost and delivery schedules. These manufacturing facilities have flexibility to operate in various dosage forms and wide range of batch sizes.

We have our reputed presence in more than 25 countries directly, while in more than 15 countries indirectly and also present in more than 3 continents, our major brands are K-win, Gravidol, T-stat, Merizyme, K-stat, Promolact, Ovaryl etc.





CSR Initiatives in the FY 2021-22



**Donation of Endoscopy Machine to
Kashiben Gordhandas Patel Children hospital**



Distribution of sanitizers



Our Plant

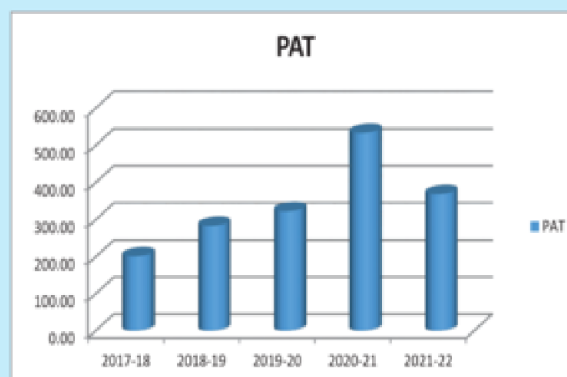
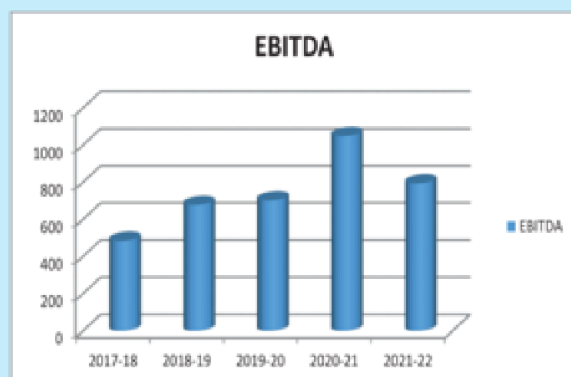
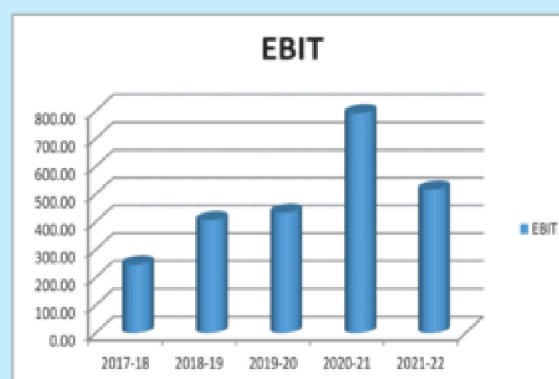




Financial highlight's

INR in Lakhs

References	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue	5240.46	5552.10	5726.91	6860.15	5792.38
EBITDA	483.73	676.64	701.54	1047.10	793.04
EBIT	245.59	405.05	432.90	790.89	515.87
PAT	201.33	283.61	322.81	533.75	368.62
EPS	16.78	23.63	26.90	44.48	30.72





Managing Director Speech



Mr. Rajendra Shah

Managing Director

At the outset, I hope you and your family are safe. This has been a very challenging year for all of us. Our resilience has been tested like never before. I must begin by thanking all our stakeholders, i.e. employees, customers, business partners and investors for their continued support. The Covid-19 pandemic has given rise to newer ways of doing business and also helped to accelerate the pace of digitalisation, video discussion and meetings.

It also helped us to focus on sustainability and resilience. In this context, keeping employees safe, ensuring agile servicing of customer demand and robust operating cash flows were the three key priorities we set for ourselves for FY2021-2022 like improved our revenue, be Focussed on expenses and improved value of our stakeholders.

On behalf of the Board, I would like to thank our customers and shareholders for their continued support, and our employees for their exceptional work and commitment. I look forward to our continued success in achieving our goals and delivering strong performance.

It is my pleasure to report that Mercury Laboratories delivered another year of solid growth. This is especially commendable as our internal targets set well and were realised despite the economic and social challenges triggered by the pandemic.

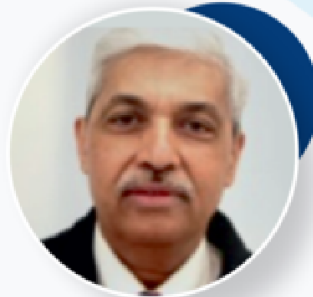


Board of Directors



Mr. Rajendra Shah

Managing Director



Mr. Dilip Shah

Non-Executive Director



Mr. Divyakant Zaveri

Independent Director



Mr. Bharat Mehta

Independent Director



Ms. Janki Shah

Non-Executive Director



Mr. Paresh Mistry

Non-Executive Director



Chairman
 Member

Audit Committee
 Corporate Social Responsibility Committee
 Nomination and Remuneration Committee
 Stakeholders' Relationship Committee

Key Managerial Personnel



Mr. Ashish Vasavada
Chief Financial Officer



Ms. Krishna Shah
Company Secretary &
Compliance Officer

Composition of Board



- Executive Director
- Non-executive Director
- Independent Director

NOTICE

NOTICE is hereby given that the Forty First (41st) Annual General Meeting (AGM) of the Members of Mercury Laboratories Limited will be held on Tuesday, September 27, 2022 at 11:30 a.m. Indian Standard Time (IST) through Video Conferencing / Other Audio-Visual Means ("VC/OAVM") facility to transact the following businesses:

Ordinary Businesses:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2022 including Balance Sheet as at March 31, 2022, the Statement of Profit and Loss Account and Cash Flow Statement for the Financial Year ended March 31, 2022 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend of INR 3.50/- per equity share of INR 10/- each for the Financial Year ended March 31, 2022
3. To appoint a Director in place of Ms. Janki R Shah (DIN: 08686344), Non-Executive Non-Independent Director who retires by rotation and being eligible, offers herself for re-appointment.
4. Appointment of M/s. Naresh & Co., (Firm Registration No: 106928W) Chartered Accountants, Vadodara as a Statutory Auditors of the Company.

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

"RESOLVED THAT pursuant to Section 139 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, as amended from time to time, based on the recommendations of the Audit Committee and of the Board, M/s. Naresh & Co., Chartered Accountants, (Firm Registration No: 106928W), who have offered themselves for appointment and have confirmed their eligibility under the relevant provisions of the Companies Act, 2013, be and are hereby appointed as the Statutory Auditors of the Company, to hold office for five consecutive years commencing from the conclusion of this Annual General Meeting till conclusion of Annual General Meeting to be held in the year 2027 for the year ended on March 31, 2027 of the Company, to examine and audit the accounts of the Company, at such remuneration plus applicable taxes, and out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time."

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) or any other person(s) authorized by the Board in this regard, be and is hereby jointly and/or severally authorized on behalf of the Company to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution and for matters concerned or incidental thereto."

Special Businesses:

5. **Re-appointment of Mr. Rajendra R Shah (DIN: 00257253) as Managing Director of the Company for the further period of 3 (Three) years effective from April 01, 2023**

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

"RESOLVED THAT,

- A. Pursuant to the provisions of Sections 197, 198, 203, Schedule V to the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and such other approvals as may be required, the Company hereby accords its consent to the reappointment of Mr. Rajendra R Shah (DIN: 00257253) who has already attained the age of 70 years as Managing Director of the Company, for a further period of 3 years with effect from April 01, 2023 on the under mentioned terms of remuneration:

- a) **Salary:** INR 1,00,000 per month with such increments at such time, as may be decided by the Board of Directors

- b) **Allowances & Perquisites:** Allowances and Perquisites shall comprise of:
- Actual Medical Reimbursement
 - Leave and travel allowance/reimbursement for self and family once in a year in accordance with the rules of the Company shall not exceed 50% of the monthly salary.
 - Gratuity as per the rules of the Company but shall not exceed half a month's salary for each completed year of service.
 - Car with Driver for use on Company's business, cell phones and telephone at residence will not be considered as perquisites. Personal long-distance calls and use of car for private purpose shall be billed by the Company.
 - Reimbursement of entertainment, travelling and other expenses incurred in the course of legitimate business of the Company
- B. In the event of loss or inadequacy of profits, Mr. Rajendra R Shah shall be entitled to above stated remuneration subject to the necessary approval, if any, required. In the event of Non-approval / pending approval of remuneration, Mr. Rajendra R Shah shall be entitled to remuneration as per the slab stipulated in Section II of Part II of Schedule V to the Companies Act, 2013.

The Board of Director be and are hereby authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution and alter, vary any of the terms and conditions relating to remuneration payable to Mr. Rajendra R Shah including increase in remuneration within the limit of remuneration prescribed in Section II of Part II of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT, any of the Directors of the Company be and are hereby jointly and /or severally authorized to submit the necessary applications, if required and the other required documents, forms and papers to the Registrar of Companies and to do all acts and to take all such steps as may be necessary, proper and expedient to give effect to this resolution including altering, deleting, inserting any of the clause and solve difficulties that may arise while giving effect to this resolution without seeking any further approval of the members of the Company."

6. Payment of Remuneration to Non- Executive Directors

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

"RESOLVED THAT pursuant to the provisions of Regulation 17(6)(ca) and other applicable regulations of Listing Regulations as amended from time to time, Section 197, 198, 188(1)(f) and other applicable provisions of the Companies Act, 2013 including any statutory modifications(s) or re-enactment(s) thereof for the time being in force, the Consent of the members be and is hereby accorded for the payment of remuneration not exceeding INR 30,00,000 per annum to Paresh J Mistry, Director of the Company for a period of three years i.e. 2022-2023 to 2024-2025, holding place of profit being office of Purchase Manager who is Non-Executive Director to whom the Company is paying remuneration for holding position of purchase manager, which is in excess of fifty percent of the total remuneration payable to all Non-executive Directors of the Company and authorize the Board of Directors, may in its absolute discretion, fix, vary, alter the actual remuneration paid to Mr. Paresh J Mistry, Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to this Resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to make necessary application(s) and to sign, execute and file all such forms, papers and documents as may be considered necessary or expedient including appointing attorneys or authorized representatives under appropriate Letter(s) of Authority to appear before the office of the ROC and other regulatory authorities, as may be applicable, for making application to give effect to the above resolution and to file required documents and information to such other authority(s) as may be required from time to time and to do all such acts, deeds and things as may be required in this connection and to resolve all the doubts, questions, difficulties relating thereto from time to time without seeking any further approval of the members of the Company."

7. Ratification of Remuneration payable to the Cost Auditor for Financial Year 2022-23

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

“RESOLVED THAT, pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s. V. M. Patel & Associates, Cost Accountants (Firm Registration No. 101519), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2023 amounting to INR 43,000 (Rupees Forty Three Thousand Only) plus applicable taxes if any & reimbursement of out of pocket expenses be and is hereby ratified and approved.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary or expedient to give effect to the resolutions.”

8. To approve payment of remuneration to Mr. Divyakant Zaveri, (DIN: 01382184) an Independent Non-Executive Chairman of the Company

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

“RESOLVED THAT, pursuant to the provisions of Regulation 17(6)© and other applicable regulations of Listing Regulations as amended from time to time, Section 197(4), 198, 188(1)(f) and other applicable provisions of the Companies Act, 2013 including any statutory modifications(s) or re-enactment(s) thereof for the time being in force, recommendation of Nomination and Remuneration Committee and Audit Committee, consent of the members of the Company be and is hereby accorded for payment of remuneration of INR. 2.50 Lacs per annum to Mr. Divyakant Zaveri, Non-Executive Independent Chairman of the Company to which Mr. Divyakant Zaveri would be entitled to as Non-Executive Independent Chairman of the Company in his professional capacity.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to this Resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to make necessary application(s) and to sign, execute and file all such forms, papers and documents as may be considered necessary or expedient including appointing attorneys or authorized representatives under appropriate Letter(s) of Authority to appear before the office of the ROC and other regulatory authorities, as may be applicable, for making application to give effect to the above resolution and to file required documents and information to such other authority(s) as may be required from time to time and to do all such acts, deeds and things as may be required in this connection and to resolve all the doubts, questions, difficulties relating thereto from time to time without seeking any further approval of the members of the Company.”

9. Continuation of Mr. Rajendra R Shah (DIN: 00257253) as a Managing Director of the Company

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

“RESOLVED THAT pursuant to Section 197(a), 196 of the Companies Act, 2013 read with Schedule V and other applicable statutory provisions, if any, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, consent of the members of the Company be and is hereby accorded for the continuation of Mr. Rajendra R Shah (DIN: 00257253), who has attained the age 70 years (being higher age then prescribed), as a Managing Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to this Resolution.”

Date: 26/05/2022
Place: Vadodara

By order of Board of Directors of
Mercury Laboratories Limited

Krishna Shah
Company Secretary

NOTES

- a. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), setting out the material facts with respect to the Special Business set out in the Notice is annexed hereto and forms part of this Notice. The Board of Directors of the Company considered that the special business under Item Nos. 5 to 9, being considered unavoidable, be transacted at the 41st AGM of the Company.
- b. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
- c. The Register of Members and Share Transfer Books of the Company will remain closed from September 21, 2022 to September 27, 2022 (both the days inclusive) for the purpose of determining the names of members eligible for dividend on equity shares, if declared at the AGM.
- d. **Link Intime India Private Limited is the Registrar and Share Transfer Agents of the Company. Shareholders are requested to make all correspondence to them at the following address.**

Link Intime India Private Limited
Unit: Mercury Laboratories Limited
B – 102 & 103, Shangrila Complex, First Floor,
Opp. HDFC Bank, Near Radhakrishna Char Rasta,
Akota, Vadodara – 390 020
Tel No.: +91 265 2356573/2356794
Email Id : vadodara@linkintime.co.in
Website: www.linkintime.co.in

Head Office Address of Link Intime India Private Limited
C – 101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083
Telephone No.: +91 22 49186270, Fax: +91 22 49186060

- e. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile number, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details, such as name of Bank, branch details, bank account number, MICR Code, IFSC Code, etc.
 - a. For Shares held in electronic form: to their Depository Participants (Dps)
 - b. For Shares held in physical form: to the Registrar and Transfer Agent in the prescribed form from ISR 1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRDS/MIRDS_RTAMB/CIR/2021/655 dated November 03, 2021.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at www.mercurylabs.com and on the website of the Company's Registrar and Transfer Agents, Link Intime India Private Limited at <https://www.linkintime.co.in/>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation. Members are advised to dematerialise the shares held by them in physical form.

As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website www.mercurylabs.com and on the website of the Company's Registrar and Transfer Agents, Link Intime India Private Limited at <https://www.linkintime.co.in/>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to Link Intime India Private Limited in case the shares are held in physical form.

f. General instructions for accessing and participating in the AGM through VC/OAVM Facility and voting through electronic means including remote e-voting:

- 1) The Ministry of Corporate Affairs ('MCA'), vide its General Circular No. 20/2020, 14/2020, 17/2020, 02/2021, 02/2022 and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) without the physical presence of the Members at a common venue. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 41st AGM of the Company shall be conducted through VC / OAVM. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.
- 2) Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip and Route Map are not annexed to the Notice.**
- 3) Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution / Authorization etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to Company by email through their registered email address to secretarial@mercurylabs.com.
- 4) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 5) **Registration of email ID and Bank Account details:**

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email addresses with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

- (i) Kindly log in to the website of our Company, Mercury Laboratories Limited at <http://investor.mercurylabs.com/email-bank-detail-and-tax-exemption-registration/> - fill in the details and upload the required documents and submit.

OR

- (ii) **In the case of Shares held in Demat mode:**

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

- 6) The Notice of the Annual General Meeting along with the Annual Report for the financial year 2021-22 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2021-22 will also be available on the Company's website www.mercurylabs.com; websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, and on the website of National Securities Depository Limited (agency for providing the Remote e-Voting facility) i.e. at www.evoting.nsdl.com. **Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.**

- 7) Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 8) **Instructions for e-voting and joining the Annual General Meeting are as follows:**
- 9) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General meeting (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) read with Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- 10) National Securities Depository Limited (NSDL) will be providing the remote e-voting facility for participation in the AGM through VC / OVAM Facility and e-voting during the AGM.
- 11) Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

- 1) The remote e-voting period begins on September 24, 2022 at 09:00 A.M. and ends on September 26, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 20, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 20, 2022. Any person who acquires shares of the Company and becomes member of the Company after dispatch of this Notice and holding shares as on September 20, 2022 may obtain the login ID and Password by sending request at evoting@nsdl.co.in. The e-voting module shall be disabled by NSDL for voting after September 26, 2022 at 5:00 P.M. (IST).

The details of process and manner for remote e-voting and e-voting during the AGM are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	- If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting - Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store   Google Play 
Individual Shareholders holding securities in demat mode with CDSL	- Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are as under https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. - After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. - If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration - Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is In progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csmiteshrana@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to (secretarial@mercurylabs.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card),

AADHAR (self-attested scanned copy of Aadhar Card) to (secretarial@mercurylabs.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (secretarial@mercurylabs.com). The same will be replied by the company suitably. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request from their registered email address to secretarial@mercurylabs.com between Thursday, September 15, 2022 (from 9:00 a.m. IST) to Wednesday, September 21, 2022 (up to 5:00 p.m. IST). The request must mention their name, DP ID and Client ID/folio number, PAN and mobile number. Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions on the resolutions proposed in the Notice convening the AGM. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

DIVIDEND INSTRUCTIONS

- The Dividend, if approved at the AGM, will be paid to those members whose name would appear in the Register of Members of the Company as on September 20, 2022.
- The dividend, if any, approved by the Members will be paid as per the mandate registered with the Company or with their respective Depository Participants. In case dividend declared at AGM could not be paid due to non-availability of the details of the Bank Account, the Company shall dispatch the dividend warrant to such shareholder subject to availability of postal services.
- In case of joint holders, the Member whose name appeared as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM and the dividend will be paid in the name of such first holder in the order of names

- As SEBI has mandated that transfer of securities in a listed company will be processed only if the securities are held in dematerialized form, the Members, who have not yet got their shares dematerialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the de-materialization account to the Company's RTA.
- Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime India Pvt Ltd in case the shares are held by them in physical form and in case of electronic form shall be intimated to RTA agent Link Intime India Pvt Ltd.
- Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.
- Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Link Intime India Pvt Ltd (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). For all members – Details that should be completed and / or updated as detailed below:

RESIDENT MEMBER.

A Resident individual member with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No.15G/15H, to avail the benefit of non-deduction of tax at source.

- Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Mutual Funds which are exempted under Section 196(iv) / 197A(1F) of the Income-tax Act, 1961 (hereinafter referred as "the Act") are required to provide self-attested SEBI registration certificate.
- Provident Fund, Superannuation Fund, Gratuity Fund, Pension Fund and ESI Fund whose income is exempt under Section 10 of the Act and on which TDS is not required to be deducted are required to provide self-attested valid documentary evidence (like approval granted by Income Tax Officer / Commissioner, relevant copy of registration, etc.)
- Insurance Companies are entitled for TDS exemption under Section 194 of the Act and are required to provide self-attested IRDA registration certificate.
- If any Member has obtained lower / nil withholding tax certificate under the Act, then TDS will be deducted at lower / nil rate mentioned on the certificate (self-attested copy of the certificate is required).
- If any other member is entitled for exemption, then valid self-attested documents (like registration copy, income tax order, etc.) are required to be provide for claiming exemption from TDS.

All these documents duly completed and signed required to be send by email to the Company at secretarial@mercurylabs.com by September 20, 2022.

Non-Resident Member

- Non-Resident Members can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. no Permanent Establishment and Beneficial Ownership Declaration (as per performa attached in this notice), Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident, declaration in Form 10F, Self-attested copy of PAN, any other document which may be required to avail the tax treaty benefits along with contact number.

- TDS on FII & FPI will be deducted under Section 196D of the Act at the rate of 20% (plus applicable surcharge and cess).
- If any member has obtained lower / nil withholding tax certificate under the Act, then TDS will be deducted at lower / nil rate mentioned on the certificate (self-attested copy of the certificate is required).
- If any member is entitled for exemption, then valid self-attested documents (like registration copy, order, etc. by Indian Tax Authorities) are required to be provide for claiming exemption from TDS.

All these documents duly completed and signed required to be send by email to the Company at secretarial@mercurylabs.com by September 20, 2022.

Other General Information to Members

- A Resident individual member with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No.15G/15H, to avail the benefit of non-deduction of tax at source.
 - Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of Members on the Book Closure Date and above prescribed documents. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.
 - In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund, if eligible.
 - In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Member/s, such Member/s will be responsible to indemnify the Company against all claims, demands, penalties, losses, etc. and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
 - Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Members should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.
- a. Members may address all the correspondences relating to dividend, unclaimed shares, claiming refund of shares & dividend transferred to IEPF, change of address, share transfer, transmission, nomination, etc. to the Company at secretarial@mercurylabs.com or the RTA at vadodara@linkintimeindia.co.in
 - b. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
 - c. **As per Section 118(1) of the Companies Act, 2013 read with the Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India, "No gifts, gift coupons or cash in lieu of gifts shall be distributed to the members in connection with the meeting".**
 - d. Documents referred to in the notice are open for inspection at the registered office of the Company during business hours on any working day except Saturday and holidays up to the date of Annual General Meeting.
 - e. A person whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on September 20, 2022 ("Cut-Off date") only shall be entitled to avail the facility of remote e-voting. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as of the Cut-Off date.
 - f. Mitesh Rana of Mitesh Rana & Co., Company Secretaries (Membership No.: 28113) having consented to act as a scrutinizer has been appointed as the scrutinizer to scrutinize e-voting process (electronically or otherwise) in fair and transparent manner.

- g. During the AGM, the Chairman shall, after response to the questions raised by the Members in advance, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.
- h. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM and thereafter unblock the votes casted through remote e-voting. The Scrutinizer shall, within a period not later than Two (2) days from the conclusion of the AGM, prepare and present a scrutinizer report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing.
- i. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.mercurylabs.com immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited, Mumbai, where the equity shares of the Company are listed.

Date: 26/05/2022
Place: Vadodara

By order of Board of Directors
Mercury Laboratories Limited

Krishna Shah
Company Secretary

Contact Details

Company Name	: Mercury Laboratories Limited
Regd. Office	: 18, Shreeji Bhuvan, 51, Mangaldas Road, Princess Street, Mumbai – 400 002 Telephone: 022-66372841 Email: mlbrd@mercurylabs.com , Website: www.mercurylabs.com
Corporate Office	: 2/13-14, Gorwa Industrial Estate, Gorwa Road, Vadodara – 390 016 Email: secretarial@mercurylabs.com
Registrar & Transfer Agent	: Link Intime India Private Limited B – 102 & 103, Shangrila Complex, 1st Floor Opp. HDFC Bank, Nr. Radha Krishna Char Rasta, Akota, Vadodara – 390 020 Phone: + 91 265 2356573
Scrutinizer	: Mitesh Rana & Co., Company Secretaries Email ID: csmiteshrana@gmail.com Phone: 09737461233

ANNEXURE TO NOTICE

I. EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO.04

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), however, the same is strictly not required as per Section 102 of the Act.

The terms of appointment of existing statutory auditor is valid upto ensuing Annual General Meeting. The Board of Directors of the Company, at its meeting held on May 26, 2022, based on the recommendation of the Audit Committee has after considering and evaluating proposal and factors such as independence, industry experience, technical skills, audit skills, etc recommended the appointment of M/s Naresh & Co, (Firm Registration No: 106928W), Chartered Accountants, as the Statutory Auditor of the Company for period of 5 (five) years commencing from the conclusion of this 41st AGM till the conclusion of the 46th AGM of the Company to be held in the year 2027 to examine and audit the accounts of the at such remuneration of Rs. 2.50 Lacs per annum for the financial year ending March 31,

2023 plus applicable taxes, and out of pocket expenses. The remuneration for the remaining term till the conclusion of the 46th AGM of the Company to be held in the year 2027 shall be determined based on the recommendation of the Audit Committee as may be mutually agreed between the Board of Directors, of the Company and the said Statutory Auditors from time to time.

Pursuant to Section 139 of the Companies Act, 2013 and the rules framed thereunder, the Company has received written consent from M/s Naresh & Co., Chartered Accountant, Vadodara for their appointment. They have confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditor in terms of the provisions of Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014

Based on the recommendation of the Audit Committee, the Board commends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval of the members of the Company.

None of the Directors of the Company or Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 4 of the accompanying Notice.

ITEM NO.05

Mr. Rajendra R Shah has been associated with the company since its inception and at the Thirty Ninth Annual General Meeting ("AGM") of the Company held on September 29, 2020 had been re-appointed as the Managing Director of the Company for a period of 3 (three) years commencing from April 01, 2020 to March 31, 2023.

Mr. Rajendra R Shah holds a degree of B. Pharm from the Gujarat University of Ahmedabad and possess extensive experience of more than three decades in overall management more particularly in the fields of Production, Quality, Control, Material Management, Marketing and overall administration of the Company. Despite of continuing emerging challenges in the area of technology, Marketing and Finance, during his present tenure the Company not only showed remarkable progress year after and register significant growth that were emanated in the market and conducted efficient and effective management of the affairs of the Company. Mr. Rajendra R Shah is Promoter Director of the Company and has been serving as a Director of the Company since its inception. He has been actively involved in operations of the Company and has rich and varied experience of over 45 years. It would be in the interest of the Company to continue appointment of Mr. Rajendra R Shah as Managing Director of the Company. Considering his association with the Company it is imperative to continue his appointment as Managing Director of the Company with effect from April 01, 2023 for a period further 3 years beyond the age of 70 years.

Considering of the valuable services provided By Mr. Rajendra R Shah and on the recommendations of the Nomination and remuneration committee, the board of directors of the Company (the Board) at its meeting held on May 26, 2022 has subject to the approval of the members and such other approvals if any required, approved Re-appointment of Mr. Rajendra R Shah as Managing Director for the period of three years with effect from April 01, 2023.

The Proposed remuneration of Mr. Rajendra R shah is provided in the special resolution mentioned at item no. 5.

A statement containing the information stipulated in schedule V to the Companies Act, 2013 is given in subsequent pages.

The Managing Director will perform his duties as such with regard to all work of the Company and will manage and attend business and carry out the orders and directions given by the board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

The Managing Director shall adhere to the code of conduct for directors and management personnel. He is not disqualified from being appointed as director in terms of section 164 of the Act. The above may be treated as a written memorandum setting out the terms of appointment of Mr. Rajendra Shah under section 190 of the Act. Brief resume of Mr. Rajendra R Shah, Nature of his expertise in specific functional areas, names of companies in which he hold directorships and memberships/Chairmanships of Board Committee, shareholding and relations amongst director inter se as stipulated is provided at the ends of notice. Mr. Rajendra R Shah is interested in the resolution set out at item no. 5 of the notice, which pertains to his appointment.

Save and except the above, Mr. Dilip R Shah, being brother of Rajendra R Shah and Ms. Janki Shah, Daughter of Rajendra R Shah, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

It is proposed to seek the members' approvals for the appointment Mr. Rajendra R Shah as Managing Director in terms of the applicable provisions of the act. The explanatory statement together with the accompanying notice may also be

regarded as an abstract of the terms appointment of Mr. Rajendra R Shah as Managing Director of the Company and memorandum of interest of Directors us 190 of the companies act 2013.

The Board recommends the approval of the Special Resolution seeking your consent.

THE STATEMENT GIVING THE INFORMATION IN ACCORDANCE WITH SCHEDULES V TO THE COMPANIES ACT 2013 FOR APPOINTMENT OF MR. RAJENDRA R SHAH AS MANAGING DIRECTOR

MR. RAJENDRA R SHAH

Mr. Rajendra R Shah aged 70 years has done his bachelors in pharmacy. He is associated with the Company since its inception. Having expertise in the field of business management, he looks after marketing, Finance and overall management of the Company.

He is the member of CSR Committee of the Board of the Company. His other directorship is given below:

1. Mercury Antibiotics Private Limited - Director

General information including other information as required to be disclosed is provided below Explanatory Statement of Item No 8.

INFORMATION ABOUT THE APPOINTEE:

a.	The background details	The Background details of Mr. Rajendra R Shah are given elsewhere in the notice
b.	Past Remuneration	Mr. Rajendra R Shah draws remuneration of Rs. 19,20,609 per annum.
c.	Recognition or awards	Nil
d.	Job profile and its suitability	Mr. Rajendra R shah, Managing Director provides leadership and strategic guidance to the company in addition to supervising functional-heads of marketing, finance accounts, regulatory compliance etc including overall management & administration of the company. Given the profile of Mr. Rajendra R Shah, it is imperative that he is appointed as Managing Director
e.	Remuneration proposed	As provided in resolution mentioned herein above
f.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The Remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in health care companies, companies engaged in multiple business, of comparable size and has been considered by the nomination and remuneration committee and the board of directors of the company in their respective meeting held on May 26, 2022
g.	Pecuniary Relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Dilip R Shah (Non-Executive Director) is real brother and Ms. Janki Shah (Non-Executive Director) is a Daughter of the Mr. Rajendra R Shah (Managing Director), there is no other pecuniary relationship directly or indirectly with the company except to the extent of their remuneration and shareholding in the company. This information is already disclosed elsewhere in the notice

Details to be placed before Members in line with the SEBI Circular are given below:

Sn	Particulars	Details
1	Type, material terms and particulars of the proposed transaction;	As detailed above.
2	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Rajendra R Shah is a Managing Director and Promoter of the Company
3	Tenure of the proposed transaction (particular tenure shall be specified);	3 Years effective from April 01, 2023
4	Value of the proposed transaction	As mentioned in the Resolution

5	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	For proposed transaction value is approximately around 0.50% of the listed entity's Annual Turnover.
6	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, cost of funds; and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable
7	Justification as to why the RPT is in the interest of the listed entity	Arrangement is commercially beneficial
8	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable

Disclosures:

The break-up of remuneration is mentioned in the Corporate Governance Report.

ITEM NO.06

Mr. Paresh J Mistry, aged 53 years, had been appointed as an additional director on the Board of the Company with effect from October 01, 2017 and at the subsequent Annual General Meeting, his appointment as Director was also confirmed and presently occupying position of Purchase Manager, being the office and/or place of profit in the Company.

In terms of Section 188(1)(f) of the Companies Act, 2013, the appointment/reappointment of a director or a relative of director to an office or place of profit in a company, its subsidiary company or an Associate Company requires approval of the Shareholders of the Company. Since Mr. Paresh J Mistry is a Director of the Company, provisions of Section 188(1)(f) of the Companies Act, 2013 would be applicable for continuing appointment of Mr. Paresh J Mistry to a place of profit being the office of Purchase Manager of Company. In the light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No. 6 of the accompanying Notice.

A brief profile of Mr. Paresh J Mistry including his nature of expertise is provided in this Annual Report.

In the opinion of the Board, Mr. Paresh J Mistry fulfils the conditions specified in relevant provisions of the Companies Act, 2013 and remuneration paid to him is commensurate with his experience and as per prevalent industry standards.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Paresh J Mistry as Non-Executive Non Independent Director and Purchase Manager. Accordingly, the Board recommends the resolution in relation to reappointment of Mr. Paresh J Mistry as Non- Executive Non Independent Director and Purchase Manager, for the approval by the shareholders of the Company.

None of Directors and their relatives (to the extent of their shareholding interest in the Company) except appointee himself, no other directors or Key Managerial Personnel or their relative, is concerned or interested, financially or otherwise in passing of this resolution.

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract of the terms appointment of Mr. Paresh J Mistry, as the Director of the Company and Memorandum of Interest of Directors u/s. 190 of the Companies Act, 2013.

A statement containing the information stipulated in Schedule V to the Companies Act, 2013 is given in subsequent pages.

STATEMENT GIVING THE INFORMATION IN ACCORDANCE WITH SCHEDULE V TO THE COMPANIES ACT, 2013 FOR MR. PARESH J MISTRY

MR. PARESH J MISTRY

Mr. Paresh J Mistry (age 53) has done his Bachelors in Commerce. He also completed Industrial Purchasing & Material Management. He did Master of Business Administration in 2010. He is associated with the Company since 1994. Having expertise in the field of Business Management, he looks after marketing, purchase, export and administration of the Company.

He does not hold directorship in any other company.

He is Chairman of Stakeholder Relationship Committee and member of Audit Committee of the Company

General information including other information as required to be disclosed is provided below Explanatory Statement of Item No 8.

INFORMATION ABOUT THE APPOINTEE:

a.	The background details	The background details of Mr. Paresh J Mistry are given elsewhere in the notice.
b.	Past Remuneration	Mr. Paresh J Mistry drawn remuneration of Rs. 11,64,462 per annum.
c.	Recognition or awards	Nil
d.	Job profile and his suitability	Mr. Paresh J Mistry provides leadership and guidance to the Company in addition to supervising functional - heads of marketing, purchase, export etc including overall administration of Company and its operations. Given the profile of Mr. Paresh J Mistry, it is imperative that Company avail his services as director also.
e.	Remuneration proposed	Within the Maximum Ceiling Limits prescribed in resolution mentioned herein above with authorization to Board to decide at its absolute discretion for payment of remuneration to Mr. Paresh J Mistry.
f.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in Health-Care Companies; Companies engaged in similar businesses, of comparable size and has been considered by the Nomination and Remuneration Committee and the Board of Directors of the Company.
g.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	There is no other pecuniary relationship directly or indirectly with the Company except to the extent of their remuneration drawn in capacity as Works Manager. This information is already disclosed elsewhere in the notice.

Sn	Particulars	Details
1	Type, material terms and particulars of the proposed transaction;	As detailed above.
2	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Paresh J Mistry is a Non-Executive director of the Company holding office of place of profit being purchase manager
3	Tenure of the proposed transaction (particular tenure shall be specified);	3 Years effective from April 01, 2022
4	Value of the proposed transaction	As mentioned in the Resolution
5	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	For proposed transaction value is approximately around 0.50% of the listed entity's Annual Turnover.
6	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, cost of funds; and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable
7	Justification as to why the RPT is in the interest of the listed entity	Arrangement is commercially beneficial.
8	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable

In the event of loss or inadequacy of profits, Mr. Paresh J Mistry shall be entitled to above stated remuneration subject to the approval of the Central Government, if required. In the event of non-approval / pending required approval of remuneration, Mr. Paresh J Mistry shall be entitled to remuneration as under:

At the slab stipulated in Section II of Part II of Schedule V to the Companies Act, 2013 relating to limit of yearly remuneration payable in case of other director; together with

- i. Company's contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- ii. Gratuity as per the rules of the company but shall not exceed half a month's Salary for each completed year of service; and
- iii. Earned Leave of one month for every eleven months of service on full pay and allowance as per the rules of the company. Leave accumulated but not availed of, can be encashed as per the rules of the company.

Further As per new clause 17(6)(ca) has been inserted in the Listing Regulations by way of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 wherein the listed companies are required approval of shareholders by way of special resolution in case the annual remuneration payable to single non-executive director exceeds 50% of total annual remuneration payable to all non-executive directors of the Company. Mr. Paresh J Mistry is Non – Executive Director of the Company who is being paid remuneration not exceeding 30,00,000 per annum for holding position of Purchase Manager in Company. Except remuneration paid to

Paresh J Mistry, your company does not give any monetary benefit to any non-executive director of the Company except the sitting fees for attending the meetings of Board or Professional Fees or Committee thereof and reimbursement of expenses, therefore the payment made to Mr. Paresh J Mistry constitutes more than 50% of the total remuneration payable to all Non-Executive Directors of your Company.

In view of the above, approval of Members is also being sought for payment of remuneration to Non-Executive Directors as set out in the Special Resolution at Item No. 06 of this Notice. The said remuneration to Non-Executive Directors shall be in addition to the sitting fee and re-imbursement of expenses payable to them.

Save and except all the Non-Executive Directors of the Company and their relatives, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 06 of the Notice.

The Board recommends the Special Resolution as set out at Item No. 06 for approval by the Members.

ITEM NO 07

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ('the rules') the Company is required to appoint a cost auditor to audit the cost records of the Company for products and services as specified under the Companies (Cost Records and Audit) Rules, 2014. On the recommendation of audit committee, the Board of Directors had approved the appointment of M/s V.M. Patel & Associates, Cost Accountants, Surat (Firm Registration No. 101519) as the cost auditors of the company to conduct audit of cost records maintained by the Company for the financial year 2022-23 at a remuneration of INR 43,000 annually plus applicable taxes if any & re-imbursement of out of pocket expenses.

M/s V.M. Patel & Associates Cost Accountants have furnished certificates regarding their eligibility for appointment as Cost Auditors of the Company. In accordance with the provisions of Section 148 of the act read with the rules, the remuneration payable to the cost auditor has to be ratified by the shareholder of the company.

Accordingly consent of the members is sought for the aforesaid proposal.

ITEM NO. 08

The Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has entrusted new responsibilities on the Independent Directors and has also widened their duties and role. Considering the rich experience and expertise brought to the Board by the Mr. Divyakant Zaveri, Independent Director Chartered Accountant by profession and possess the requisite qualification for the practice of profession. Pursuant to proviso of Section 197(4) of the Companies Act, 2013 ('the Act') any remuneration for services rendered by any such director in other capacity shall not be so included if,

(a) the services rendered are of a professional nature; and

(b) in the opinion of the Nomination and Remuneration Committee, if the company is covered under sub-section (1) of Section 178, or the Board of Directors in other cases, the director possesses the requisite qualification for the practice of the profession.

In view of the above Company recommended, the remuneration to Mr. Divyakant Zaveri, Independent Director, shall be decided by the Board of Directors based on the attendance, contribution or other parameter as the Board may deem fit, and if approved for payment then this remuneration shall be in addition to the fee payable to the Directors for attending the meetings of the Board and/or Committee thereof and reimbursement of expenses for participation in the Board and other meetings. This resolution shall be valid for a period of three years commencing from April 1, 2022.

STATEMENT GIVING THE INFORMATION IN ACCORDANCE WITH SCHEDULE V TO THE COMPANIES ACT, 2013 FOR MR. DIVYAKANT ZAVERI

Mr. Divyakant Zaveri

Mr. Divyakant Zaveri (age 75) is a qualified Chartered Accountant and has done his bachelors in commerce. He has vast and varied experience in the field of Finance, Taxation, Accounts and as well as secretarial matters of more than 32 years and has served many reputed companies in past.

He is the chairman of Audit Committee and member in Nomination Remuneration Committee, CSR Committee & Stakeholder Relationship Committee of the Board of the Company. His other directorship is given below:

1. Shroffs Engineering Private Limited
2. Gujarat Containers Limited
3. Saptarishi Agro Industries Limited
4. Krishna Defence and Allied Industries Limited

General information including other information as required to be disclosed is provided below Explanatory Statement of Item No 8.

INFORMATION ABOUT THE APPOINTEE:

i.	The background details	Mr. Divyakant Ramniklal Zaveri holds Bachelor of Commerce and Chartered Accountant degree and having 32 years of in depth experience in the field of Accounts, Finance, Taxation.
ii.	Past Remuneration	He drew remuneration of Rs. 2.5 Lacs per annum excluding Sitting fees.
iii.	Recognition or awards	Nil
iv.	Job profile and his suitability	He has expertise in the field of Finance, Taxation, Accounts and as well as secretarial matters
v.	Remuneration proposed	As mentioned in the resolution at Item No 8
vi.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in Health-Care Companies; Companies engaged in similar businesses, of comparable size and has been considered by the Nomination and Remuneration Committee and the Board of Directors of the Company.
vii.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	There is no other pecuniary relationship directly or indirectly with the Company except to the extent of their remuneration drawn in capacity as chairman and Independent director.

Disclosures:

The break-up of remuneration package is mentioned in the Corporate Governance Report.

Details to be placed before Members in line with the SEBI Circular are given below:

SN	Particulars	Details
1	Type, material terms and particulars of the proposed transaction;	As detailed above.
2	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Mr. Divyakant Zaveri is an Independent Director and chairman of the Company
3	Tenure of the proposed transaction (particular tenure shall be specified);	From FY 2022-23 upto completion of his tenure as an Independent Director
4	Value of the proposed transaction	As mentioned in the Resolution
5	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	For proposed transaction value is approximately around 0.25% of the listed entity's Annual Turnover.
6	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, cost of funds; and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable

7	Justification as to why the RPT is in the interest of the listed entity	Arrangement is commercially beneficial.
8	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable

General information including other information as required to be disclosed for the Item No. 5, 6, 8 is as under:

GENERAL INFORMATION

Sr. No.	Information sought	Information																											
i.	Nature of Industry	The Company is engaged Pharmaceutical Business, Manufacturing, Exporting, Importing, Selling and Otherwise dealing in all kinds of pharmaceutical drugs, medicines, herbs, laboratory and surgical materials etc.																											
ii.	Date of Commencement of Commercial Production	The Company has started its operations from February 12, 1982.																											
iii.	Financial performance of the Company	<table><tr><th colspan="3">INR in Lakhs</th></tr><tr><th>Particulars</th><th>2021-22</th><th>2020-21</th></tr><tr><td>Revenue from Operations</td><td>5792.38</td><td>6860.15</td></tr><tr><td>Profit/(Loss) before Tax</td><td>503.12</td><td>790.90</td></tr><tr><td>Profit/(Loss) After Tax</td><td>368.62</td><td>533.75</td></tr><tr><td>Paid-up Equity share Capital</td><td>120</td><td>120</td></tr><tr><td>Reserves & Surplus</td><td>3914.08</td><td>3569.46</td></tr><tr><td>Earnings per Share (INR in Actual)</td><td>30.72</td><td>44.48</td></tr><tr><td>Book value per share (INR in Actual)</td><td>336.17</td><td>307</td></tr></table>	INR in Lakhs			Particulars	2021-22	2020-21	Revenue from Operations	5792.38	6860.15	Profit/(Loss) before Tax	503.12	790.90	Profit/(Loss) After Tax	368.62	533.75	Paid-up Equity share Capital	120	120	Reserves & Surplus	3914.08	3569.46	Earnings per Share (INR in Actual)	30.72	44.48	Book value per share (INR in Actual)	336.17	307
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Earnings per Share (INR in Actual)	30.72	44.48																											
Book value per share (INR in Actual)	336.17	307																											
iv.	Export performance and net foreign exchange collaboration	The Company's export was INR 952.97 lakhs for 2021-22 and INR 1812.08 lakhs for 2020-21.																											
v.	Foreign investments or collaborations	NIL																											
Other Information:																													
a.	Reasons for loss or inadequacy of profits	Major reasons are Ongoing COVID 19 Impact and Reduction in Export Sale due to political and economic affairs in some countries which resulted in decline profitably of the Company.																											
b.	Steps taken or proposed to be taken for improvement	The Company has started taking some steps which may lead to gradual increase in export business. Besides these Company has started business with the other countries which may lead to increase in Companies sale volume and growth plan.																											
c.	Expected increase in production and profits in measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms but Company is expecting 5% to 10% increase.																											

ITEM NO. 09

Mr. Rajendra R Shah was appointed as Managing Director of the Company by the members at the 39th Annual General Meeting of the Company held on September 29, 2020 for a period of three year with effect from April 01, 2020 till March 31, 2023. It is proposed to obtain approval of the shareholders as per the provisions of the Section 196 of the Companies Act, 2013 for continuation of his appointment as Managing Director of the Company on the same terms of appointment and remuneration as approved by members earlier. Hence a Special Resolution is proposed at the Item No. 9 of the Notice.

Mr. Rajendra R Shah is Promoter Director of the Company and has been serving as a Director of the Company since its inception. He has been actively involved in operations of the Company and has rich and varied experience of over 45 years. It would be in the interest of the Company to continue appointment of Mr. Rajendra R Shah as Managing Director of the Company.

Mr. Rajendra R Shah holds a degree of B. Pharm from the Gujarat University of Ahmedabad and possess extensive experience of more than three decades in overall management more particularly in the fields of production, Quality, control, Material Management, Marketing and overall administration of the Company. Other relevant information including brief profile given elsewhere in this notice.

Save and except the above, Mr. Dilip R Shah, being brother of Rajendra R Shah and Ms. Janki Shah, Daughter of Rajendra R Shah, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

It is proposed to seek the members' approvals for the continuation of appointment Mr. Rajendra R Shah as Managing Director in terms of the applicable provisions of the act.

II. DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015

Name of the Director	Mr. Rajendra R shah	Ms. Janki R Shah
Date of Birth	March 02, 1952	November 21, 1982
Age	70	41
Qualification	B. Pharm	Master of Science in Pharmacology
Experience in Specific functional area	Overall Business Management	Exports & Administrative
Director Since	February 16, 1982	February 05, 2020
List of Companies in which outside directorship held as on March 31, 2022	Mercury Antibiotics Private Limited	None
Chairmanship / Membership of Committees of other Board	Chairman of Corporate Social Responsibility Committee	Member of Nomination Remuneration Committee
Relationship with other Directors, Manager and other Key Managerial Personnel	Brother of Mr. Dilip R Shah (Non-Executive Director) Father of Ms. Dilip R Shah (Non-Executive Director)	Daughter of Mr Rajendra R Shah (Managing Director) Niece of Mr. Dilip R Shah (Director)
No. of Shares held	85,650	1,04,000

Date: 26/05/2022
Place: Vadodara

By order of Board of Directors of
Mercury Laboratories Limited

Krishna Shah
Company Secretary

BOARD'S REPORT

To,
The Members,
Mercury Laboratories Limited

Your Directors have pleasure in presenting the 41st Annual Report of Mercury Laboratories Limited (the Company) on the business and operations of the Company together with the audited financial statements for the financial year ended on March 31, 2022.

1. FINANCIAL SUMMARY/PERFORMANCE OF THE COMPANY

The financial performance of the Company for the financial year ended March 31, 2022 along with figures of previous financial year is summarized below:

PARTICULARS	(INR in Lakhs)	
	2021-22	2020-21
Revenue from Operations	5792.38	6860.15
Gross Profit before Depreciation Interest & Tax	793.04	1047.09
Less: Interest	44.64	64.14
Less: Depreciation	245.28	192.05
Profit / (Loss) before Exceptional Items , Extra Ordinary Items & Tax	503.12	790.90
Exceptional Items	-	-
Extra-Ordinary Item	(12.75)	-
Profit / (Loss) before Tax	515.87	790.90
Less: Current Tax including Income Tax of Previous Year & Deferred Tax	147.25	257.15
Profit/(Loss) from Continuing Operations	368.62	533.75
Profit/(Loss) from discontinued operations	-	-
Tax expense of discontinued operations	-	-
Profit/(loss) from Discontinued operations (after tax)	-	-
Profit / (Loss) for the Period	368.62	533.75
Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss	-	-
A (ii) Income tax relating to items that will not be reclassified to profit or loss	-	-
Total other comprehensive income (A (i - ii))	-	-
Total comprehensive income for the period	368.62	533.75
*Earning Per Share		
Basic	30.72	44.48
Diluted	30.72	44.48

*Equity Shares are at par value of INR 10 per share.

2. Dividend:

The Board of Directors at their meeting held on May 26, 2022, recommended a final dividend of INR 3.5 per equity share of face value of INR 10 each, for the financial year ended 31st March, 2022 absorbing INR 42.00 Lakhs, which will be, if approved by the members, paid to the Shareholders holding shares as on September 20, 2022 after business hours. The dividend, if declared, is subject to deduction of Tax at source in accordance with applicable provisions. The Dividend Distribution Policy of the Company is set out as Annexure A.

3. Transfer to Reserves:

Your Company transferred an amount of INR 350.00 Lakhs to the General Reserve during the Financial Year ended on March 31, 2022.

4. Financial Performance and Operations Review:

During the year 2021-2022, the Company yielded Revenue from operations of INR 5792.38 Lakhs as compared to previous year INR 6860.15 Lakhs. It declined by approximately 15.56%. The main reason of decline in revenue is, reduction in Company's export sales to the country Afghanistan & Sri Lanka due to their Political Affairs.

The COVID-19 pandemic has caused significant difficulties for business environments globally, due to this cost of basic raw materials increased, Selling & Distribution expenditure is also increased drastically as compared to Previous year. As results Company's Gross Profit before depreciation, interest and tax of INR 503.12 Lakhs with Net Profit of INR 368.62 Lakhs decreased against Gross Profit before depreciation and Interest and tax of INR 790.90 Lakhs with Net Profit of INR 533.75 Lakhs of previous year, respectively.

5. Future Prospects:

The Covid 19 pandemic which continued during the year 2019-20, 2020-21 and still continue in 2022 having second and third wave. During this period, it also swept almost entire India and almost all the countries in its effect. Fortunately, proactive action taken by Indian Government and particularly pharmaceutical industry who has timely action and enhanced manufacturing in large scale face mask, hand sanitizer, antiseptic hand wash along with supply of sterilized operation kit, syringes, supplying pharmaceutical medicines and formulations.

Due to pro-activeness of the Government of India as well as State Governments, all Pharma Companies produced necessary medicines such as Paracetamol, Azithromycin, Zinc Sulphate and most important Covid 19 vaccines manufactured by Serum Institute of India and Bharat Biotech was provided to the needy and the underprivileged countries of the worldwide. The world recognized the quality of the product of vaccine, surgical items and medicines of the Indian Pharma Companies.

The Government of India also acted very fast by creating required hospital beds, oxygen cylinders, ventilators and other essential equipment along with supporting staff, paramedical staff, doctors to ensure that each and every patient gets proper treatment during this Pandemic period. The central government and the state government also created awareness by bringing new facilities and expansion in the existing facility for the future such as medical colleges, nursing colleges, production of hospital surgical items and all other requirement along with medicines and vaccines. Today, we proudly demonstrate that we, Indians can face any kind of Pandemic, calamities in health systems. We, Mercury Laboratories Limited took this opportunity to enhance business by increasing number of clients for export business. Your Company has got registered with new clients for the 2020-21, 2021-22.

Looking to the present scenario, the management strongly believe that pharma industries will grow leaps and bounds in India as well as international market medicines. Management sees very bright future for your company. We also working very hard and ensure by managing cost of inputs, energy and wages by focusing more on productivity. This will continue to prioritize investments in capacity for key projects, further strengthening quality compliance, safety and digitization to shape the future of your Company Mercury Laboratories Limited. Your company has also taken systematically digitization across functions and working towards integration in all possible areas and it will lead to error free data in the documentation process. We are building a strong leadership team and hiring the right talents to address the needs of our customers and realize our strategic priorities. The future belongs to organizations that are resilient and can quickly adjust to the reality of the market. Accordingly, Mercury Laboratories Limited will continue to stay focused on building on its agility to maximize value creation.

MANAGEMENT DISCUSSIONS AND ANALYSIS

As stipulated by regulation 34(3) read with Schedule V(B) of the Listing Regulations, Management Discussion and Analysis forms parts of this report.

a) Industry Structure and Development

The Government of India aggressively focus on pharmaceutical sector through initiatives such as Make in India, Ayushman Bharat Scheme, National Digital Health Mission and many more. Production Linked Incentive (PLI) Scheme for the Pharma Industry worth 15,000 crores set aside by the government for grant of subsidy or incentive for the domestic manufacturers particularly API for manufacturing critical key starting materials (KSM), drug intermediates, and active pharmaceutical ingredients. By doing so, we expect Make in India a global supplier. Private Sector manufacturers also entered into this and expanded their existing manufacturing capacity, create new plant and they are under the process of producing enough lifesaving drugs and preventive vaccines and supply throughout the world.

The Union Budget 2021-22 showed an unprecedented increase in allocation for health sector from 1.2% of the GDP to 2.5% of the GDP. The Government also allocated 90,000 crores for the Atmanirbhar Swasth Yojana for the development of Primary, Secondary and Tertiary healthcare system, infrastructure and other amenities. As a part of this, the Government of India also plan to create every state should have one AIMS and at least majority of the districts should have medical college, nursing college and to fill shortages of doctors in rural areas.

The Indian Pharma sector growth looks promising given strong Government focus on improving accessibility, increasing affordability and growing acceptability of pharma. The government has taken several initiatives like massive inoculation drive, Atmanirbhar Swasth Bharat Yojna to develop capabilities of primary, secondary and tertiary healthcare systems, improvement in quality of the product, enhance Research & Development work. Road map work for next 10 years already started by medical tourism, medical education, increase health insurance, 200 billion investments on infrastructure, effectively implement Ayushman Bharat Yojna, Pradhan Mantri Bharatiya Janaushadhi Pariyojna, focus on medical education.

b) Outlook, Risks and Concerns

The government of India and the private sectors-initiated number of developments and outlook of business environment gradually improved a lot. However, due to uncertainty in respect of escalation of inputs cost such as petroleum, API, intermediates, Ukraine War and financial crisis all over the world make the situation worst. We continue to remain vigilant across our portfolio to mitigate any potential risks by supporting our clients to ensure construction progress across the projects in our portfolio. We believe that our provisions should be enough to take care in problems arise in future.

World Economic Overview

The Ukraine war resulted in shortage of inputs, increase in energy cost, recession in entire globe. There are more than 10-15 countries who are merged as defaulters and debt crisis which affect business of the company. Our business particularly in Sri Lanka and other countries is the best example wherein we have lost good part of export business due to debt, political affairs in their Country. Across countries, recovery levels may vary significantly depending on access to medical interventions, effectiveness of policy support, exposure to cross country spill overs, and structure.

Global Pharma Market

The demand for healthcare and innovative solutions is growing globally with chronic diseases on the rise. The slowdown in growth is mainly due to the companies rearranging their operations and recovering from the Covid 19 impact. This will definitely lead to take this global market to reach 1700.97 billion in 2025 at 8% CAGR.

North America was the largest region in the global pharmaceutical market accounting for 48% of the market in 2021-2022. However, after lot of action, Asia-Pacific was the second largest region accounting for 26% of the global pharmaceuticals market. African markets projected to be the smallest in the global pharmaceutical market. The efforts put in to develop efficient products will bode well for the growth of the overall markets in the coming years by increasing investments in R&D infrastructure, capital inflow and this will lead to overall growth of our Company.

c) Financial Performance and Operation Review

During the year under review, the Company yielded Revenue from operations of INR 5792.38 Lakhs and earned Gross Profit before depreciation, interest and tax of INR 793.04 Lakhs with Net Profit of INR 368.62 Lakhs as against Revenue from operations of INR 6860.15 Lakhs Gross Profit before depreciation and Interest and tax of INR 1047.10 Lakhs with Net Profit of INR 533.75 Lakhs of previous year, respectively. Return on Equity is also reduced to 10.81% from 17.70% previous year due to reduction in revenue.

These regulatory issues continue to adversely impact the Company's business. The Company's business in the emerging markets also suffered due to significant currency fluctuations. The Company is implementing comprehensive remedial measures at all its manufacturing sites to ensure quality and regulatory compliances. These remedial measures included review of all processes and procedures revamping of training system, recruitment of senior quality personnel as well as automation of quality control laboratories. Your Company is committed in resolving these issues at the earliest. The Company is also committed to its philosophy of highest quality in manufacturing, operations, system, integrity and GMP culture. Your management is confident that implementation of remedial measures will ensure that the company will regain all its regulatory approvals

Break-up of Sales	2021-22	2020-21	Growth / (Degrowth)	
			In terms of Value	In terms of %
Domestic	3,764.76	3,492.10	272.66	7.81
Grace division	489.96	254.62	235.34	92.43
Deemed Exports	584.69	1,301.35	(716.66)	(55.07)
Direct Exports	952.97	1,812.08	(859.11)	(47.41)
Total	5,792.38	6,860.15	(1,067.77)	(15.56)

During the financial year under report, the domestic sales of products of the Company amounted to INR 4839.41 Lakhs as against INR 5048.07 Lakhs in the previous year, which reflect decrease of 4.13% and in value INR 208.66 Lakhs. Whereas the International Business (export) amounted to INR 952.97 Lakhs as against INR 1812.08 Lakhs in the previous year which was decrease by 47.41% and in value INR 859.11 Lakhs.

Details of significant changes in key financial ratios given at Note No. 45.9 of the Notes to financial statements.

d) Internal Control System and its adequacy

Mercury Laboratories believes that internal control is a prerequisite for governance and that business plans should be exercised within a framework of checks and balances. The Company has adequate internal control system including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control system provide for all documented policies, guidelines, authorization and approval procedures. The Company has an internal audit department which carries out audits throughout the year. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit Committee of the Board. Further the Company has in place adequate Internal Financial Controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

e) Human Resources

The human resources play a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees across various locations. At the core of our success are our people and have been working towards keeping them engaged and inspired.

During the year under review, various training and development workshops were continued to be conducted to improve the competency level of employees with an objective to improve the operational performance of individuals. The company has built a competent team to handle challenging assignments. The Company strives to enhance the technical work, related and general skills of employees through dedicated training programs on a continuous basis. The Company has 469 employees as on March 31, 2022.

f) Threats

Drug Price Control:

The Health Ministry keeps on revising the list of Drugs under price control. It is likely that the Government may bring more drugs and formulations under price control or change the mechanism of calculating the ceiling price of the drugs, which are under the ambit of the revised policy, which in turn will affect the net margins of the Company.

Generics:

The Government of India is continuously bringing in policies to shift the market towards generic products. The implementation of this process requires action by all stakeholders. This may have impact on future business strategies of the Company.

Manufacturing & Supplying Risk:

Although a major portion of the Company's finished formulations and injectable are being manufactured at in-house facilities, the Company also depends on its suppliers for sourcing of its raw materials. Any significant disruption at in-house facilities or any of its suppliers' locations due to economic, political & social factors or any other event may impair the Company's ability to meet the markets demand on a timely basis. In addition, the Company's manufacturing capabilities could be impacted by quality deficiencies in the products, which its suppliers provide, leading to impact on its financial performance.

Currency fluctuation risks:

Foreign currency risks arise out of overseas operations and financing activities. Exchange rate volatility significantly impacts earnings and net equity because of invoicing in foreign currencies, expenditure in foreign currencies, foreign currency borrowings and translation of financial statements of overseas subsidiaries into Indian rupees. The Company has a defined foreign exchange risk management framework to manage these risks excluding translation risks.

International Taxation:

As the Company has potential tax exposure resulting from application of varying laws and interpretations, which include intercompany transactions with related parties in relation to various aspects of business.

Although the Company believes its cross-border transactions between affiliates are based on internationally accepted practices, tax authorities in various jurisdictions may have different views or interpretations and subsequently challenge the amount of profits taxed in their jurisdiction resulting into increase in tax liability including interest and penalties causing the tax expenses to increase.

g) Formulation and Developments

Company always considering Formulation and Development as crucial for sustain growth of the Company. Company always try to introduce newer and newer delivery system for ensuring products available as regards to time and enhancing its therapeutic value.

To achieve this objective, we have experienced and qualified pharmacists whose activity is to maintain and find out newer and newer delivery system as well as re-engineering innovative process. This will help the Company to maintain material Consumption ratio.

h) Cautionary Statement

Certain statement in the management discussion and analysis may be forward looking within the meaning of applicable securities law and regulations and actual results may differ materially from those expressed or implied. Factors that would make differences to company's operations include competition, price realization, Drugs Price Controls, currency fluctuations, regulatory issues, changes in government policies and regulations tax regimes, economic development within India and the Countries in which the company conducts business and other incidental factors.

6. Directors' Responsibility Statement

Your Directors state that:

- a. In the preparation of annual accounts for the year ended March 31, 2022, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2022 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 this 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 laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. 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.

7. Directors and Key Managerial Personnel

During the year under review, following changes occurred in the position of Directors / KMPs of the Company:

- a. Ms. Janki R Shah, Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment. The retirement of director by rotation at the ensuing Annual General Meeting is determined in accordance with the provisions of the Companies Act, 2013.
- b. The terms of appointment of Mr. Rajendra R Shah as Managing Director of the Company is valid upto March 31, 2023. The Board on the recommendation of Nomination and Remuneration Committee of the Company approved appointment of Mr. Rajendra R Shah as Managing Director of the Company for a further period of three years with effect from April 01, 2023 and payment of remuneration subject to approval of shareholders at an ensuing Annual General Meeting including such other approvals if any as may be required.
- c. Ms. Enu Khandelwal had resigned as Chief Finance Officer of the Company with effect from June 22, 2021 and Mr. Ashish Vasavada has been appointed as a Chief Finance Officer of the Company with effect from October 21, 2021.
- d. Ms. Kinjal Khandelwal had resigned as Company Secretary of the Company with effect from January 31, 2022 and Ms. Krishna Shah has been appointed as a Company Secretary of the Company with effect from January 31, 2022.

Necessary resolutions for re-appointment of the aforesaid directors and their detailed profiles have been included in the notice convening the ensuing AGM and details of proposal for appointment / reappointment are mentioned in the explanatory statement of the notice. Your directors commend their re-appointment.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company except Mr. Paresh J Mistry who is being paid of holding position of Purchase Manager in the Company.

Key Managerial Personnel as at March 31, 2022 are as under:

1. Mr. Rajendra R Shah, Managing Director
2. Mr. Ashish Vasavada, Chief Financial Officer (w.e.f. October 21, 2021)
3. Ms. Krishna Shah, Company Secretary (w.e.f. January 31, 2022)

8. Number of Meetings of the Board

Four Meetings of the Board were held during the year on May 27, 2021, August 10, 2021, October 21, 2021 & January 31, 2022. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

9. Nomination Remuneration Policy

The Policy on appointment and remuneration of directors, key managerial persons (KMP) and senior management including criteria for determining qualifications, positive attributes and director's independence as required under Section 178(3) of the Act, and Regulation 19 read with Schedule II Part D of SEBI Listing Regulations has been formulated by the Company. Policy on Nomination and Remuneration of Directors, Key / Senior Managerial Personnel may be accessed on the Company's website at <http://www.mercurylabs.com>

The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 read with Schedule II of the Listing Regulations. Further details on the same are given in the Corporate Governance Report which forms part of this Annual Report.

10. Board Evaluation

Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and Individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, Information and functioning etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee (NRC) reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

11. Internal Financial Control Systems and their adequacy

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

12. Audit Committee

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

13. Share Capital

The paid-up Equity Share Capital of the Company as at March 31, 2022 is INR 120 Lacs. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

14. Risk Management

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise-wide approach to Risk Management is being adopted by the Company and key risks is getting managed within a unitary framework. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The Audit Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

15. Safety, Environment and Health

The Company considers safety, environment and health as the management responsibility. Regular employee training programs are carried out in the manufacturing facilities on safety, environment and health.

16. Particulars of Loans, Guarantees or Investments

The Company has not provided any loans and guarantees and no investments made pursuant to Section 186 of the Companies Act, 2013 during the year ended on March 31, 2022.

17. Particulars of contracts or arrangements with related parties:

There are no materially significant related party transactions made by the Company with related parties which may have potential conflict of interest with the Company at large. As a matter of policy, your Company carries out transactions with related parties on an arms' length basis. Statement of these transactions is given at Note No. 40 of the Notes to financial statements.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Act along with the justification for entering into such contract or arrangement in prescribed Form AOC-2 is furnished as 'Annexure B' to this report.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is available on the Company's website and can be accessed at <http://investor.mercurylabs.com/wp-content/uploads/2019/11/Related-Party-Transaction-Policy.pdf>

18. Corporate Social Responsibility (CSR)

As per amendment and in terms of Section 135 of Companies Act, 2013, the Company has formulated Corporate Social Responsibility (CSR) Policy in accordance with Section 135 of the Companies Act, 2013 and reconstituted CSR Committee on May 14, 2015 with Mr. D. R. Zaveri and Mr. Bharat Mehta, Two Independent directors and Mr. Rajendra R Shah, Managing Director and Dilip Shah, Director of the Company. The composition of committee was as under:

Sr. No.	Name of Director	Category
01	Mr. Rajendra R Shah	Chairman & Member
02	Mr. Divyakant Zaveri	Member
03	Mr. Bharat Mehta	Member
04	Mr. Dilip Shah	Member

Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company was adopted by the Board on the recommendation of the CSR Committee. The CSR policy of the Company is placed on the website of the Company <http://investor.mercurylabs.com/wp-content/uploads/2021/08/Corporate-Social-Responsibility-Policy.pdf>

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

19. Policy on prevention, prohibition and Redressal of sexual harassment at workplace

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2021-22. The policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at work place is placed on website of the Company www.mercurylabs.com.

20. Vigil Mechanism/Whistle Blower Policy

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is posted on the website of the Company www.mercury labs.com.

21. Significant and material orders passed by the regulators or courts.

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

22. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134 (3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed as 'Annexure D'.

23. Particulars of Employees and Remuneration

Pursuant to the Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, no employee of the Company was paid remuneration exceeding the prescribed limits, during the financial year 2021-22.

The information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the 'Annexure E' forming part of the Report. None of the employees listed in the said Annexure is related to any Director of the Company.

24. Auditors & Their Reports**(1) Statutory Auditors:**

Pursuant to the provisions of Section 139 of the Act and the rules framed there under, at the Annual General Meeting held on September 14, 2018, M/s. R J Shah & Associates, Chartered Accountants, has been appointed as Statutory Auditor of the Company to hold office till conclusion of 41st annual general meeting to be held in the year 2022. Term of appointment of M/s. R J Shah & Associates, Chartered Accountant, Vadodara, Statutory Auditors is valid up to ensuing annual general meeting.

On the recommendation of Audit Committee, the Board of Directors recommended to the Members for the Appointment of M/s. Naresh & Co., (FRN:106928W) Chartered Accountants, Vadodara as statutory auditors of the Company and M/s Naresh & Co have consented to act as Statutory Auditor of the Company for term of five consecutive years from the conclusion of the 41st AGM till the conclusion of the 46th AGM, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be reappointed as statutory auditor in terms of the provisions of the Act, and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

The Auditor's Report for the financial year 2021-22 does not contain any qualification, reservation or adverse remark which requires any clarification/ explanation. The Auditor's Report is enclosed with the financial statement in this Annual Report. There was no instance of fraud during the year under review, which required the statutory auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act, and the rules made thereunder. The Notes on accounts, referred to in the Auditor's Report, are self-explanatory and therefore do not call for any further comments.

(2) Secretarial Auditors:

Pursuant to the provisions of the Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the Board of Directors of the Company had appointed M/s. Mitesh Rana & Co. a firm of Company Secretaries to carry out Secretarial Audit for the year ended on March 31, 2022. The Secretarial Audit Report is annexed as 'Annexure F'

The Auditors' Report and the Secretarial Audit Report for the financial year ended March 31, 2022 do not contain any qualification, reservation, adverse remark.

The Company has complied with the provisions of Secretarial Standards on Board Meetings and General Meetings issued by the Institute of Company Secretaries of India and approved by the Central Government.

The Board of Directors of your Company had approved and appointed M/s. Mitesh Rana & Co., Company Secretaries, Vadodara to carry out Secretarial Audit of your Company for financial year 2022-2023.

(3) Cost Auditors:

Pursuant to the provisions of Section 148 read with Companies (Cost Records and Audit) Amendment Rules, 2014 and as recommended by the Audit Committee, the Board had appointed M/s. V.M. Patel & Associates, Practicing Cost Accountants, who have given their consent to act as Cost Auditors and laid on the table the consent letter received from them & confirmed that his appointment met the requirements of Section 141(3)(g) of the Act for the year 2022-2023 and that he was free from disqualification as specified under section 141 read with Section 148 of the Act.

In terms of Rule 14 of the Companies (Audit and Auditors) Rule, 2014, remuneration payable to the cost auditors is required to be ratified by members. Accordingly, an ordinary resolution will be passed by members at the 41st Annual General Meeting approving the remuneration payable to M/s. V.M. Patel & Associates.

(4) Internal Auditors

The Board of Directors appointed M/s. K R & Associates as Internal Auditors of the Company for financial year 2022-2023

25. Deposits:

The Company has no unpaid and / or unclaimed deposit. The Company has accepted deposit from Directors and their relatives, the Shareholders and has complied with all applicable provisions of the Companies Act relating to acceptance and renewal of deposits.

The details relating to deposits, covered under Chapter V of the Act are as under:

Particulars	Amt. in INR (Lakhs)
Accepted during the year from the Members	217.08
Remained unpaid or unclaimed as at the end of the year	None
Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved (i) at the beginning of the year; (ii) maximum during the year; and (iii) at the end of the year;	None

26. Extract of Annual Return

The Annual Return of the Company as on 31st March, 2022 in Form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at www.mercury labs.com.

27. Material Change & Commitments, if any

There is no material changes and commitments, that would affect financial position of the company from the end of the financial year of the company to which the financial statements relate and the date of director's report.

28. Corporate Governance Report

As stipulated by Regulation 34(3) read with Schedule V(C) of the Listing Regulations, Corporate Governance Report forms part of this Annual Report Annexed to the said report is the Auditor's Certificate as prescribed under Schedule V(E) of the Listing Regulations certifying compliance with conditions of corporate governance.

29. Independent Directors

The Independent Directors of the Company have given the declaration and confirmation to the Company as required under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that they meet the criteria of independence and that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Board of Directors of your company confirms that the Independent Directors fulfill the conditions specified in Section 149 (6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

30. Unclaimed Dividend Amounts and Transfer to IEPF

The Company has transferred dividend amounts which remained unpaid or unclaimed for a period of seven years from the date of their transfer to unpaid dividend account, from time to time, on due dates to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on March 31, 2022 on the website of the Company.

During the year under review, the Company has credited unclaimed dividend of INR 1,24,650 to the Investor Education and Protection Fund (IEPF) pursuant to Section 125(1) of the Act, pertaining to FY 2013-2014. Details of shares transferred to IEPF Authority during financial year 2021-2022 are also available on the website of the Company (www.mercurylabs.com). The Company has also uploaded these details on the website of the IEPF Authority (www.iepf.gov.in).

31. Familiarisation Program for Independent Directors

All Independent Directors are familiarised with the operations and functioning of the Company at the time of their appointment and on an ongoing basis. The details of the training and familiarisation program are provided in the Corporate Governance Report and is also available on the website of the Company at <http://investor.mercurylabs.com/wp-content/uploads/2022/05/Familiarization-programme-for-Independent-Directors.pdf>

32. Other Disclosures

- i. During the year under review, there was no change in Company's nature of business
- ii. The Company has not failed to implement any corporate action during the year under review;
- iii. The disclosure pertaining to explanation for any deviation or variation in connection with certain terms of public issue, rights issue, preferential issue, etc. is not applicable to the Company;
- iv. Company does not have any subsidiary or associate Company within the meaning of the Companies Act, 2013.

33. Acknowledgment

The Board of Directors wish to place on record their appreciation for the continued support extended by the Bankers, Business Associates, clients, vendors and suppliers, Government Authorities, Employees at all levels and Stakeholders, in furthering the interest of the Company

**On behalf of the Board of Directors of
Mercury Laboratories Limited**

Date: 26/05/2022

Rajendra R. Shah
Managing Director
DIN: 00257253
Place: Vadodara

Dilip R Shah
Director
DIN: 00257242
Place: USA

ANNEXURE-A TO THE DIRECTORS' REPORT – DIVIDEND DISTRIBUTION POLICY

OBJECTIVE

The objective of this policy is to establish the principles and criteria to be considered by the Board of Directors prior to recommending dividend to the Equity Shareholder of Mercury Laboratories Limited.

The policy is framed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has a consistent dividend policy and has endeavored to judiciously balance rewarding shareholder through dividends whilst supporting future growth and long-term interests of the Company and its stakeholders.

PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board of Directors shall inter alia consider the following parameters before recommending dividend:

Statutory and Regulatory Parameters

The Company shall declare dividend only after ensuring compliance with requisite regulations and provisions of the Companies Act, 2013 and rules made there under, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and any other regulations as may be applicable from time to time.

The Board will consider various parameters as mentioned below before arriving at a decision on declaration of dividend:

Financial Parameters

- | | |
|--|---|
| ☞ Profits earned during the financial year | ☞ Accumulated reserves |
| ☞ Funding and liquidity considerations | ☞ Profitability outlook for the next two/three years |
| ☞ Leverage ratios | ☞ Other factors and/or material events which the Board may consider |

External Factors

- ☞ Shareholder expectations, including individual shareholders
- ☞ Taxation provisions
- ☞ Macro and Micro Economic conditions
- ☞ Government policies
- ☞ Any other factors and / or material events which the board may consider

UTILISATION OF RETAINED EARNINGS

Retained earnings shall be utilized in accordance with prevailing regulatory requirements, creating reserves for specific objectives, fortifying the balance sheet against contingencies, generating higher returns for shareholders through reinvestment of profits for future growth and expansion and any other specific purpose as approved by the Board. The Company shall endeavor to utilize retained earnings in a manner that shall be beneficial to both, the interests of the Company and its stakeholders.

DIVIDEND AND CLASSES OF SHARES

The Board may declare interim or recommend final and/or special dividend as may be permitted under the Companies Act, 2013 or any amendment, modification, variation or re-enactment thereof.

Currently, the Company does not have any other class of shares (including shares with differential voting rights) other than equity shares.

DIVIDEND PAYOUT RATIO

The Company has followed a stable dividend policy in the past and strives to maintain a consistent dividend payout ratio.

CONFLICT IN POLICY

In the event of a conflict between this policy and the then existing regulations, the regulations shall prevail.

AMENDMENTS

To the extent any change/amendment is required in terms of applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be suitably modified to make it consistent with the law. Such amended policy shall be placed before the Board for noting and necessary ratification.

REVIEW OF POLICY

The Board shall review the Dividend Distribution Policy of the Company periodically.

DISCLOSURE OF POLICY

The Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website www.mercurylabs.com

**On behalf of the Board of Directors of
Mercury Laboratories Limited**

Date: 26/05/2022

**Rajendra R. Shah
Managing Director
DIN: 00257253
Place: Vadodara**

**Dilip R Shah
Director
DIN: 00257242
Place: USA**

Annexure -B to the Board's Report**Form No. AOC – 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangement entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 Including certain arm's length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or Arrangement or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL							

Details of material contracts or arrangement or transactions at arm's length basis:

There were no material contracts or arrangements, or transactions entered into during the year ended March 31, 2022.

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or Arrangement or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
NIL					

All related party transactions are at arm's length basis and are approved by Audit Committee of the Company.

**On behalf of the Board of Directors of
Mercury Laboratories Limited**

Date: 26/05/2022

**Rajendra R. Shah
Managing Director
DIN: 00257253
Place: Vadodara**

**Dilip R Shah
Director
DIN: 00257242
Place: USA**

Annexure – C to the Board's Report**Annual Report on CSR Activities undertaken during the financial year 2021-2022**

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:**

The Company's philosophy towards Corporate Social Responsibility (CSR) is conducting business by integrating its economic, environmental and social objectives in such a way that it will contribute for the social good together with its operational growth. The Company believes that CSR is a process by which an organization thinks about its relationship with its stakeholders for the common good and demonstrates its commitment to the same. The Company intends to undertake multiple initiatives like promoting education & other development activities under its CSR policy.

The Company has adopted a CSR Policy in compliance with the provisions of the Companies Act, 2013 and can be accessed on the Company's website: <http://investor.mercurylabs.com/wp-content/uploads/2021/08/Corporate-Social-Responsibility-Policy.pdf>

Projects / Programs to be Undertaken: An Overview of Company's CSR Projects / Programs to be undertaken are available on the website at <http://investor.mercurylabs.com/wp-content/uploads/2022/08/CSR-Projects-approved-by-the-Board.pdf>

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Rajendra Shah	Chairman, Managing Director	4	4
2.	Mr. Bharat Mehta	Independent Director	4	4
3.	Mr. Divyakant Zaveri	Independent Director	4	4
4.	Mr. Dilip Shah	Director	4	4

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**
CSR committee-investor.mercurylabs.com/wp-content/uploads/2022/03/Composition-of-Various-committee.pdf, **CSR Policy-**investor.mercurylabs.com/wp-content/uploads/2021/08/Corporate-Social-Responsibility-Policy.pdf **CSR projects approved by the board-**<http://investor.mercurylabs.com/wp-content/uploads/2022/08/CSR-Projects-approved-by-the-Board.pdf>
4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not applicable (as the Company does not have an average CSR obligation of Rs. 10 Crores or more in the three immediately preceding financial years)
5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
---- Not Applicable as no amount is required to be set-off ----			

6. **Average net profit of the company as per section 135(5):** INR 4,89,79,824/-
7. (a) Two percent of average net profit of the company as per section 135(5): INR 9,79,596/-
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 (c) Amount required to be set off for the financial year, if any: Nil
 (d) Total CSR obligation for the financial year (7a+7b-7c): INR 9,79,596/-
8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in INR.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 9,80,600/-	NIL				

- (b) **CSR amount spent or unspent for the financial year:** Nil

- (c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project. State & District	Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
							Name	CSR registration number
1	Distribution of Sanitizers	Item I Promoting Healthcare	No	Gujarat- Himatnagar, Rajkot, Surendrangar, Junagadh, Jamnagar, Vadodara, Nadiad, Ahmedabad, Mehsana, Surat Rajsthan-Jaipur, Kota, Bikaner, Alwar Delhi J&K-Srinagar, Uttar Pradesh- Gaziabad, Bareilly, Dehradun	2,35,410/-	Yes	-	-

2.	Donate Endoscopy Machine to Kashiben Gordhandas Patel Children hospital	Item I Promoting Healthcare	Yes	Vadodara, Gujarat	4,87,200/-	Yes	-	-
3.	Donation to Medical Books to library of school of Nursing of Muni Seva Ashram	Item II Promoting Education	Yes	Vadodara, Gujarat	82,728/-	Yes	-	-
4.	Donation to Shri Ramanbhai Bapulal Shah Education & Charitable Trust For distribution of scholarship to the students	Item II Promoting Education	Yes	Vadodara, Gujarat	30,000/-	No	Shri Ramanbhai Bapulal Shah Education & Charitable Trust	CSR00011098
5.	Donation to Shri Shrutiben Dilipbhai Shah Education & Charitable Trust For distribution of scholarship to Medical student	Item II Promoting Education	Yes	Vadodara, Gujarat	1,20,000/-	No	Shri Shrutiben Dilipbhai Shah Education & Charitable Trust	CSR00011280
	Total				9,55,338/-			

(d) Amount spent in Administrative Overheads: INR 25,262/-

(e) Amount spent on Impact Assessment, If applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): INR 9,80,600/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in INR)
(i)	Two percent of average net profit of the company as per section 135(5)	9,79,596
(ii)	Total amount spent for the Financial Year	9,80,600
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1004
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1004

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
Nil							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

- (a) Date of creation or acquisition of the capital asset(s): None
- (b) Amount of CSR spent for creation or acquisition of capital asset: NIL
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable

On behalf of the Board of Directors of
Mercury Laboratories Limited

Date: 26/05/2022

Rajendra R. Shah
Managing Director
DIN: 00257253
Place: Vadodara

Dilip R Shah
Director
DIN: 00257242
Place: USA

Annexure-D to the Board's Report

[Pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) rules, 2014]

1. CONSERVATION OF ENERGY
(i) The Steps taken or impact on conservation of energy:

Energy conservation refers to reducing energy consumption through optimal energy utilization technologies, enhancing energy availability, resource efficiency such as Installation of lesser power consumption machines and instruments, Replacement of energy saving efficient equipment's and through regular maintenance of Equipment's and also with use of renewable energy.

Various conservation measures such as Installation of lesser power consumption machines and instruments, Replacement of energy saving efficient equipments were implemented during the financial year. The company had replaced ordinary light fittings with led and always strive to conserve energy.

The Company has installed Solar Panels at the plant. This may benefit the Company in years to come.

(ii) **The Steps taken by the Company for utilizing alternate source of energy**

The Company is evaluating all possibilities of utilizing alternate sources of energy in its operations, wherever possible.

(iii) **The capital investment on energy conservation equipments:**

During the year under report, the Company has spent on amount on energy conservation equipments/consumables.

PARTICULARS PERTAINING TO CONSERVATION OF ENERGY

(Amount in INR)

	Particulars	2021-22	2020-21
1	Power and fuel consumption		
A.	Electricity		
(a)	Purchased		
	Unit (in Kwh)	11,02,139	17,58,174
	Total amount (Rs.)	92,64,237	1,37,45,116
	Rate/unit (Rs.)	8.41	7.82
(b)	Own generation		
(i)	Through diesel generator		
	Unit (in Kwh)	Nil	Nil
	Unit per liter of diesel Oil	Nil	Nil
	Cost/Unit (in Rs.)	Nil	Nil
(ii)	Through steam turbine/generator	N.A.	N.A.
	Unit (in 'Kwh		
	Unit per liter of fuel		
	Cost/Unit (in Rs.)		
B.	Coal (Specify quality and where used)	N.A	N.A
	Quantity (tones)		
	Total cost		
	Average Rate		
C.	Light Diesel Oil		
	Quantity (K. Liter)	18,896.29	25,413.68
	Total Amount (Rs.)	18,45,628	20,77,188
	Average Rate (Rs./K. Liter)	97.67	81.74
D.	Other/Internal generation		
	Total Cost	Nil	Nil
	Rate / Unit	Nil	Nil
2	Consumption per unit of production	Standards if any	
	• Products • Units • Electricity • Furnace Oil • Coal • Others	Considering the number of products being manufactured by the company and production activity not being energy sensitive, the Company is not in a position to give the information required as per this format for the current year as well as the previous year. Regular steps are being taken to improve the energy conservation.	

2. TECHNOLOGY ABSORPTION

Research & Development

A) Specific area in which R&D carried out by the Company:

Our R&D designs and develops manufacturing processes through Re-engineering from product development stage to finished product keeping respect of therapeutic effectiveness, technology upgradation and quality efficiency of the product.

B) Benefits derived as a result of R&D: Quality Improvements and enhancement of product life, Expansion of product range.

C) Future plan of action:

The Company is in process of streamlining the operations and improving productivity per unit per man operation.

D) Expenditure on R&D: INR 2,40,518/-**E) Imported technology (Imported during last 5 years):**

The Company has not imported any technology during the last 5 years.

3. FOREIGN EXCHANGE EARNING & OUT GO:

Sr. No	Particulars	(Amount in INR)	
		2021-22	2020-21
a.	Foreign Exchange Earnings	9,52,96,622	18,12,07,716
b.	Foreign Exchange outgo towards	5,94,821	30,18,642

On behalf of the Board of Directors of
Mercury Laboratories Limited

Date: 26/05/2022

Rajendra R. Shah
Managing Director
DIN: 00257253
Place: Vadodara

Dilip R Shah
Director
DIN: 00257242
Place: USA

Annexure – E to the Board's Report**A. Remuneration details of Directors and Key Managerial Personnel of the Company for the financial year 2021-22 is as follows:**

The median remuneration of the employees of the Company for the financial year is INR 1,80,684

Name of Director & KMP	Designation	Ratio to Median Remuneration	Percentage increase/decrease in the remuneration
*Mr. Divyakant R Zaveri	Independent Director & Chairman	0.72	---
Mr. Rajendra R Shah	Managing Director	10.63	---
Mr. Dilip R Shah	Non-Executive Director	---	---
Mr. Bharat Mehta	Non-Executive Director	---	---
**Mr. Paresh Mistry (w.e.f October 01, 2017)	Non-Executive Director	6.44	16.94
MS Janki R Shah (w.e.f February 05, 2020)	Non-Executive Director	---	---
Ms. Enu Khandelwal (up to 22.06.2021)	Chief Financial Officer	---	---
Mr. Ashish Vasavada (w.e.f 21.10.2021)	Chief Financial Officers	---	---
Ms. Kinjal Khandelwal (up to 31.01.2022)	Company Secretary	---	---
Ms. Krishna Shah (w.e.f 31.01.2022)	Company Secretary	---	---

*Mr. Divyakant R Zaveri, being Chartered Accountant has been paid professional fees during the year under review

* Mr. Paresh Mistry, Employee of the Company was appointed as director of the Company w.e.f October 01, 2017 and he continue to draw remuneration in his capacity as employee holding office or place of profit in company.

Notes:

- Percentage increase/decrease in remuneration is not reported as they were holding directorship for the part of the financial year 2021-22 and/or they were appointed during the financial year 2021-22.
- The remuneration to Directors is within the overall limits approved by the shareholders of the Company.

a. **The percentage increase in the median remuneration of employees in the financial year:**
 The percentage increase in the median remuneration of employees in the financial year was 45.86%.

b. **The number of permanent employees on the rolls of the Company:** 469

c. **average percentile Increase already made In the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The Average Annual increase in the salaries of employees other than managerial personnel in the last Financial Year was around 7.64%. Increase in the managerial remuneration for the year was Nil except there is increase in salary of Mr. Paresh J Mistry, Director of Company.

There were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the performance of the Company

d. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration paid are as per the remuneration policy of the Company.

B. Statement showing Particulars of top ten employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) :

Sr. No	Name of Employee	Nature of employment/ Designation	Remuneration Received	Qualification & Experience	Date of Joining	Age	Last Employment held
1.	Saurabh Mittal	Marketing Manager	17,29,401	BE (13 years)	01/02/2019	38	Verizon Communication
2.	Mukesh Kumar Shrivastava	General Manager Sales & Marketing	15,75,000	B.sc & MBA(36 Years)	10/02/2011	65	VNB Life science Limited
3.	Rajendra R Shah	Managing Director	19,20,609	B. Pharm(47 years)	01/08/1975	70	None
4.	Paresh J Mistry	Purchase Manager-director	11,64,462	MBA(28 years)	07/01/1994	53	None
5.	Mahendra Bhagwandas Patel	General Manager Production	10,35,480	B. Pharm(25 Years)	07/10/2019	54	Farbe Firma Ankleshwar
6.	Virender Kumar	Sales Manager	7,98,480	B.sc(25 Years)	23/03/1998	49	Ethicare laboratories
7.	Sharda Prasad Verma	Deputy General Manager	7,64,889	MBA(21 Years)	04/05/2020	47	Akumentis Healthcare
8.	Gaurav Dixit	Group Product Manager	7,59,462	B. Pharm(20 years)	04/11/2017	44	KNM Pharma Pvt Ltd
9.	Krishnakumar Vallathol	Institutional Manager	7,43,247	M.sc(28 years)	01/04/2000	56	Manav Yarn Products Limited
10.	Rajendrakumar Shambu	Sales Manager	6,94,044	B.sc(22 years)	19/07/2005	60	Inga Laboratories Pvt Ltd

Notes:

- The above remuneration includes Salary, H.R.A., Ex-gratia, Company's contribution to Provident Fund, Leave Encashment availed and taxable allowances & perquisites.
- Mr. Rajendra Shahi is brother of Mr. Dilip Shah(Non-executive director) and Father of Ms. Janki Shah(Non executive director) and he holds 85,650 Equity shares of Company
- Mr. Saurabh Mittal is Husband of Ms. Janki Shah(Non-executive director) and Son in law of Mr. Rajendra Shah

**On behalf of the Board of Directors of
Mercury Laboratories Limited**

Date:26/05/2022

Rajendra R. Shah
Managing Director
DIN: 00257253
Place: Vadodara

Dilip R Shah
Director
DIN: 00257242
Place: USA

Annexure F

Form No MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

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

To,
The Members,
Mercury Laboratories Limited
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mercury Laboratories Limited** (hereinafter referred to as "**Company**") for the financial year ended on March 31, 2022. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the major corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified Opinion:

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the COVID – 19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Mercury Laboratories Limited ("Company")** for the financial year ended on March 31, 2022, according to the provisions of:

- i. The Companies Act, 2013 (**the Act**), and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under including amendments and enactment thereof
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable for External Commercial Borrowings as there was no reportable event during the financial year under review**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (upto 12th August, 2021) & The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021);

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (upto 15th August, 2021) & The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August, 2021) – **Not applicable as there was no reportable event during the financial year under review;**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client - **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (upto 09th June, 2021) & The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June, 2021) – **Not applicable as there was no reportable event during the financial year under review;**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not Applicable. The Company not bought back any shares / securities during the year under review.**)

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test – check basis, the Company has complied with the following laws applicable specifically to the Company to the extent applicable to the Company as identified and confirmed by the management of company:

- 1. The Drugs and Cosmetics Act, 1940 and the rules made thereunder
- 2. Drugs and Price Control Order, 2013
- 3. The Narcotics, Drugs & Psychotropics Substances Act, 1985

We have also examined compliance with the applicable clauses of the following:

- 1) Applicable Secretarial Standards issued by The Institute of Company Secretaries of India.
- 2) The Equity Listing Agreements entered into by the Company with the BSE Limited read with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

During the period under review, prima facie, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned herein above.

We further report that based on the information provided by the company, its officers and authorised representative during the conduct of the audit, in our opinion, adequate systems and processes and control mechanism exist in the company to monitor and ensure compliance with applicable general laws.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. All the decision at the Board meetings were passed unanimously and with the requisite majority at the Annual General Meeting held during 2021 – 2022.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company, no events occurred which had bearing on Company's affairs in pursuance of above referred laws, rules, regulations, standards etc.

We further report that during the year under review:

- 1. During the year under review, Company had transferred 1,900 Equity Shares to IEPF Authority.

**FOR MITESH RANA & CO.,
COMPANY SECRETARIES**

**MITESH RANA
COMAPNY SECRETARY
ACS M. No.: 28113
COP: 12364**

**DATE: 26/05/2022
PLACE: VADODARA
UDIN: A028113D000392367**

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" forming an integral part of this report.

Annexure A

**To,
The Members
Mercury Laboratories Limited
Mumbai**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit during limited time constraint.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**FOR MITESH RANA & CO.,
COMPANY SECRETARIES**

**MITESH RANA
COMAPNY SECRETARY
ACS M. No.: 28113
COP: 12364**

**DATE: 26/05/2022
PLACE: VADODARA
UDIN: A028113D000392367**

DECLARATION**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT
PERSONNEL WITH COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees, Non Executive Directors and Executive Director which is also available on the Company's Website.

I confirm that the Company has in respect of the financial year ended March 31, 2022 receive from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with code the code of conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Accountant and other employees in the Executive Cadre as on March 31, 2022.

Date: 26/05/2022

Place: Vadodara

Rajendra R Shah
Managing Director
DIN: 00257253

Independent Auditor's Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Members of
Mercury Laboratories Limited

1. This Certificate is issued in accordance with the terms of our engagement and at the request of the Company.
2. We have examined the compliance of conditions of Corporate Governance by Mercury Laboratories Limited ('the Company'), for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

3. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this Certificate.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2022.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For R. J. Shah & Associates
Chartered Accountants
Firm Reg No. 109752W

Nayan R Dholakia
Partner
No. 037350
Place: Vadodara
Date: 26/05/2022
UDIN: 22037350AJQZYL1280

REPORT ON CORPORATE GOVERNANCE**1. STATEMENT ON COMPANIES PHILOSOPHY ON CODE OF GOVERNANCE**

MLL's philosophy on Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems delegation, across all facets of its operations. The Companies Corporate Governance philosophy has been further strengthened through its code of conduct, code of conduct for prevention of insider trading as also the code of Corporate Disclosure Practices leading to sharply focused and operationally efficient growth. The business operations are conducted to benefit it's all stakeholders, including shareholders, employees, customers, suppliers and statutory authority.

2. BOARD OF DIRECTORS**(a) Composition of Director**

- i. As on March 31, 2022, the Board of Directors is consisting of 6 (Six) Directors with a Managing Director, Two Independent Non-Executive Directors, One Woman Director and Two Non Independent Non-Executive Director. The Composition of Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the BSE Limited.
- ii. None of the Directors on the Company's Board is holding office of the Director in more than 20 (twenty) Companies including 10 (ten) Public Companies. Independent Directors are also not holding office of Director in more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees across all the companies in he/she acts as Director. Necessary, disclosures regarding committee positions in other public companies as on March 31, 2022 have been made by directors.
- iii. Independent directors are non-executive directors as defined under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have given declaration confirming that they meet the criteria as mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.

A brief resume of the director being re-appointed at the Annual General Meeting, the nature of their expertise in specific functional areas and names of companies in which he holds directorship and membership of the committees of the Board, is annexed to the Notice convening Annual General Meeting.

The names and categories of the Directors, their attendance at the Board Meeting and Annual General Meeting, No. of Directorship and committee position held in other Companies are given below.

Composition, attendance at the Board Meetings during FY 2021-22 and the last Annual General Meeting, outside directorship and Membership / Chairmanship of Board Committees of other Companies for the year ended / as at March 31, 2022

Name of Directors	Category of Directors	No. of Board Meeting Attended during 2021-22	Attendance at the last AGM	No. of outside Directorship held in Public Company	Number of memberships/chairmanship in Audit/ Stakeholder Committee(s)		No. of shares held as at March 31, 2022
					Chairman	Member	
Rajendra R. Shah DIN: 00257253	Managing Director	4	yes	-	None	None	85,650
Dilip R. Shah DIN: 00257242	Director	4	yes	-	None	None	84,850
Divyakant R. Zaveri * DIN: 01382184	Chairman & Non-Executive Independent	4	yes	3	3	5	-
Bharat D. Mehta DIN 07180906	Non-Executive Independent	4	no	1	None	2	-
Paresh J Mistry DIN: 07893654	Non Executive Non Independent Director	4	yes	-	1	2	-
Janki R Shah DIN: 08686344	Non Executive Non Independent Director	4	yes	-	None	None	1,04,000

*Mr. Divyakant Zaveri is an Independent Non-Executive Director in listed Companies viz (1) Gujarat Containers Limited and (2) Saptrishi Agro Industries Limited. (3) Krishna Defence and Allied Industries Limited No other directors of the Company hold any directorship in any other listed Company as at March 31, 2022.

NOTE:

1. This excludes directorship in private company, overseas companies and partnership in LLPs.
2. Chairmanship & Membership in other Board Committee for Audit Committee & Stakeholders Relationship Committee only provided.
3. Mr. Rajendra R Shah, Mr. Dilip R Shah and Ms. Janki Shah are relatives in terms of Section 2(77) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014.

Number of Board Meetings of Board of Directors held and dates respectively

4 (Four) meetings of Board of Directors, were held during the year and the gap between two Meetings did not exceed one hundred twenty days. The dates on which the said meetings were held are as under:

Date	Board Strength	No. of Directors present
May 27, 2021	6	6
August 10, 2021	6	6
October 21, 2021	6	6
January 31, 2022	6	6

The necessary quorum was present for all the meetings.

The terms and conditions of appointment of the independent directors are disclosed on website of the Company.

During the year separate meeting of the independent directors was held inter alia to review the performance of non-independent directors and the board as a whole.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.

(b) Disclosure of Relationships Inter se:

Mr Rajendra Shah and Mr. Dilip R shah are brothers and Ms. Janki shah is Daughter of Mr. Rajendra Shah except that none of the directors are related to each other.

(c) Familiarization Programme for Independent Directors-

The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programmes / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

Such programmes / presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time. The programmes/presentations also familiarise the Independent Directors with their roles, rights and responsibilities.

When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairperson, Managing Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities. Details of familiarization programmes is available on <http://investor.mercurylabs.com>

(d) Matrix highlighting core skills/expertise/competencies of the Board of Directors

Sr. No.	Names of Director	Pharmaceuticals and Public Health	Finance, Economic, Banking, Financial Services, Risk and Governance	Business Leadership	Entrepreneurship including Strategy and Public Policy	General Corporate Management including Human Resources
1	Rajendra R. Shah	✓	✓	✓	✓	✓
2	Dilip R. Shah	✓	✓	✓	✓	✓
3	Bharat D. Mehta		✓	✓	✓	✓
4	Paresh J Mistry		✓	✓	✓	✓
5	Janki R. Shah	✓	✓	✓	✓	✓
6	Divyakant R. Zaveri		✓	✓	✓	✓

Above skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills / experience listed therein. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

We confirm that in the opinion of the board, the independent directors fulfill the conditions specified in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and are independent of the management. None of the Director of the Company had resigned during the year before the expiry of his tenure.

(e) Role of Independent Directors

Independent Directors play a key role in the decision-making process of the Board and in shaping various strategic initiatives of the Company. The Independent Directors are committed to act in what they believe is in the best interests of the Company and its stakeholders. The wide knowledge in their respective fields of expertise and best-in-class boardroom practices helps foster varied, unbiased, independent and experienced perspective.

The Company benefits immensely from their inputs in achieving its strategic direction.

An Independent Director is the Chairman of the Audit Committee, Nomination & Remuneration Committee, as at March 31, 2022.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Act, the Listing Regulations and are independent of the Management

(f) Meetings of Independent Directors

The Company's Independent Directors met on January 31, 2022 in absence of Non-Independent Directors and Members of Management. At this meeting the Independent Directors reviewed the following:

- 1) Performance of the Chairman;
- 2) Performance of the Independent and Non Independent Directors;
- 3) Performance of the Board as a whole and its Non Administrative Committees.

They also assessed the quality, quantity and timeliness of flow of information between the Management and the Board. The Chairman of the meeting of the Independent Directors presented views of the Independent Directors to the Chairman of the Company.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Agreement and Disclosures Requirements) Regulation, 2015, the Board has carried out the Annual Performance Evaluation of its own performance, the Directors Individually as well as the evaluation of working of its various committees. A separate exercise was carried out to evaluate the performance of Individual Directors including Chairman of the Board who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding interest of the Company and its minority shareholders. The performance evaluation of the Chairman and the Non Independent Director was carried out by the Independent Director including overall performance of the Board as whole at the meeting of Independent Directors held during the year under review and by Board as whole.

3. Committees of the Board:

A. Audit Committee

The composition and the Terms of Reference of the Audit Committee meet with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the audit committee and the details of meetings attended by its members for the year ended on March 31, 2022 are given below: The Company Secretary act as secretary to Audit Committee.

Name	Category of Director	Number of Meetings during the Year 2021-22	
		Held	Attended
Mr. Divyakant R. Zaveri	Chairman, Non-Executive Independent	4	4
Ms. Paresh Mistry	Member, Non-Executive Non-Independent	4	4
Mr. Bharat D. Mehta	Member, Non-Executive Independent	4	4

During the financial year, four meetings of Audit Committee were held i.e. on May 27, 2021, August 10, 2021, October 21, 2021 & January 31, 2022. The necessary quorum was present at the meeting.

The CFO as an invitee attends the meeting of Audit Committee Regularly.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 read with Part C of Schedule II of SEBI (as Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations, 2015). Apart from the above, the Committee also carries out such functions/responsibilities entrusted on it by the Board of Directors from time to time.

The brief description of the Powers of Audit Committee is as under:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The audit committee invites executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and other Invitees to be present at its meetings.

The Previous Annual General Meeting (AGM) of the Company was held on September 28, 2021.

B. Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee in terms of Section 178 of the Companies Act, 2013 and as per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has a duly constituted Nomination and Remuneration Committee of directors during the year ended on March 31, 2022 which was earlier known as Remuneration/Compensation Committee. During the financial year, there were Three (3) numbers of meetings of Nomination & Remuneration Committee held. The necessary quorum was present at the meeting.

Details of the committee composition and attendance of director is as under

Name	Category of Director	Number of Meetings during the Year 2021-22	
		Held	Attended
Mr. Bharat D. Mehta	Chairman, Non-Executive Independent	3	3
Mr. Divyakant R. Zaveri	Member, Non-Executive Independent	3	3
Ms. Janki Shah	Member, Non -Executive Non - Independent	3	3

The main term of reference of Nomination and Remuneration Committee is to review and recommend the revision in remuneration of managerial personnel to the Board of Directors. The Committee while reviewing the remuneration considers the industry remuneration standards, educational qualification, relevant experience and performance of the concerned managerial personnel vis-à-vis the company requirements. The Role of the Committee is in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 read with the rules made thereunder and Regulation 19 read with Part D of Schedule II of SEBI (as Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations, 2015).

The broad terms of reference of the Nomination and Remuneration committee are as under:

-Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration of the Directors, Key managerial Personnel and other employee.

-Formulation of criteria for evaluation of performance of Independent Directors and the Board; Devising a policy on Board diversity;

-Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

-Whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of Independent Directors

Remuneration Policy:

Remuneration policy of the Company is directed towards rewarding performance, based on the review of achievements. The Remuneration policy is in consonance with the existing industry practice.

The Board of Directors formed a Nomination and Remuneration Committee to review and recommend the remuneration package of the whole time director based on performance and defined criteria the Chairman of the committee is Mr. Bharat Mehta

The remuneration paid to Executive Director of the company is approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The Company's remuneration strategy is market driven and aims at attracting and retaining high caliber talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance based on review of achievements on periodical basis.

Details of sitting fees paid to Non-Executive Directors during the year 2021-22 are as under.

Name of Director	Sitting Fees Paid
Mr. Divyakant R. Zaveri	46500
Mr. Bharat D. Mehta	46500
Mr. Paresh J Mistry	34500
Mr Dilip Shah	27000
Ms Janki Shah	27000

For the year ended on March 31, 2022 Remuneration was paid to Mr. Rajendra R Shah, Managing Director, of INR 12,64,728 and perquisite of INR 6,55,881 aggregate value thereof was INR 19,20,609 with approval of shareholders, Mr. Rajendra Shah has been appointed as the Managing Director for tenure of Three years with effect from April 01, 2020 which can be terminated by either party giving three months' notice in writing.

Non-Executive Directors do not draw any remuneration except Mr. Paresh J Mistry who hold office of Purchase Manager and Mr. Divyakant Zaveri, Who is Independent director of the Company, and holding a degree of chartered accountant, being paid of INR 2,50,000 Director Remuneration for the FY 2021-22. However, they were paid per meeting sitting fees @ Rs. 5000 for Board Meeting and @ 1500 for each committee meeting during the year under review. For Annual Board Meeting, sitting fees is Rs. 7500 per meeting.

Mr. Paresh J Mistry was paid remuneration of INR 11,64,462 for the year ended on March 31, 2022 for holding position as Manager Purchase of the Company.

As of now, the Company does not have any employee stock option plan.

There were no other pecuniary relationships or transactions of the Non-Executive Director vis a vis the company except that Mr. Paresh Mistry holding position as Purchase Manager of the Company. The company has not granted any stock option to any of its directors.

C. STAKEHOLDER RELATIONSHIP COMMITTEE

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI Listing Regulations, 2015.

The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipts of annual report and non-receipts of declared dividends etc through Registrar and Transfer Agent and Company.

Stakeholders Relationship Committee comprises of 2 (Two) Non-Executive Independent Directors namely Mr. Bharat Mehta, Mr. Divyakant Zaveri and 1 (one) Non-executive, Non-Independent director Mr. Paresh Mistry as at March 31, 2022

Name	Category of Director	Number of Meetings during the year 2021-22	
		Held	Attended
Mr. Paresh Mistry	Chairman, Non-Executive Independent	4	4
Mr. Divyakant R. Zaveri	Non-Executive Independent	4	4
Mr. Bharat D. Mehta	Non-Executive Independent	4	4

Ms. Kinjal Khandelwal, Company Secretary was the Compliance Officer upto January 31, 2022 and Ms. Krishna Shah, Company secretary and Compliance Officer with the effect from January 31, 2022.

No complaints were received during the year. All complaints received during the year were resolved to the satisfaction of the complainants and no investor complaint was pending at the beginning or at the end of the year. All valid requests for share transfers received were acted upon by the Company and no such transfer is pending.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of Companies Act, 2013, the Company has formulated Corporate Social Responsibility (CSR) Policy in accordance with Section 135 of the Companies Act, 2013 and reconstituted CSR Committee with on May 14, 2015 with Mr. Divyakant R. Zaveri and Mr. Bharat Mehta, Two Non-Executive, Independent Directors and Mr. Rajendra R Shah, Managing Director and Dilip Shah, Director of the Company. Mr. Rajendra R Shah elected as Chairman of the CSR committee.

1.	Mr. Rajendra R Shah	Chairman	Managing Director
2.	Mr. Divyakant Zaveri,	Member	Non-Executive Independent Director
3.	Mr. Bharat Mehta,	Member	Non-Executive Independent Director
4.	Mr. Dilip R Shah	Member	Non-Executive Non Independent Director

The Company has been pursuing CSR Activities in accordance with requirements of the Companies Act, 2013. The data is provided in the annexure-C to the Board Report.

The CSR policy of the Company is placed on the website of the Company <http://investor.mercurylabs.com/wp-content/uploads/2021/08/Corporate-Social-Responsibility-Policy.pdf>

4. GENERAL BODY MEETING

a) Particulars of AGM / EGM for the last three years:

The details of the last three Annual / Extraordinary General Meeting are as follows:

AGM for the financial year ended	Day Date & Time of AGM	Place of AGM	Special Resolutions passed
March 31, 2021	28th September 2021 at 11:30 AM	VC/OAVM	1. Approval of Payment of remuneration to Non-Executive Director Mr. Paresh Mistry. 2. Ratification of remuneration of Cost auditor 3. Inviting/Acceptance/ Renewal of Deposits from Members under Section 73 of the Companies Act, 2013
March 31, 2020	29th September 2020 at 11:00 AM	VC/OAVM	1. Re-appointment of Mr. Rajendra R Shah (DIN: 00257253) as Managing Director for a further period of 3 (Three) years 2. Appointment of Ms. Janki R Shah (DIN: 08686344) as Director of the Company 3. Approval of Payment of remuneration to Non-Executive Director Mr. Paresh Mistry. 4. Ratification of remuneration of Cost auditor

March 31, 2019	28th September 2019 at 12:00 Noon	At the Electric Merchant's Association Hall, Room No. 12, Shreeji Bhuvan, 51, Mangaldas Road, Princess street, Mumbai - 400 002.	1. Re-appointment of Mr Divyakant Zaveri as independent director Non-Executive Director 2. Re-appointment of Mr Bharat Mehla as independent director Non-Executive Director. 3. Payment of Managerial Remuneration. 4. Approval of Payment of remuneration to Non-Executive Director Mr. Paresh Mistry. 5. Approval of Remuneration to Managing director 6. Ratification of remuneration of Cost auditor
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- b) **Whether any special resolution passed last year through postal ballot – details of voting pattern: None**
Person who conducted the postal ballot exercise: Not Applicable
Postal Ballot Voting Pattern: Not Applicable
Procedure for Postal Ballot: Not Applicable

There was no resolution proposed to be conducted through postal ballot.

5. Disclosure

I. Related Party Transactions:

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were in the ordinary course of business and at arm's length basis. Prior approval is obtained for unforeseen related party transactions which would be on an arm's length basis. Also, the Company did not enter into any material related party transactions. The details of the related party transactions are set out in the notes to financial statements forming part of this Annual Report. The Policy dealing with related party transaction as approved by the Board may be accessed on the Company's website at the link: <http://investor.mercurylabs.com/wp-content/uploads/2019/11/Related-Party-Transaction-Policy.pdf>

- II. Details of Non Compliances by the Company, penalties, strictures imposed on the Company by the Stock Exchange or Securities and Exchange Board of India or any Statutory authority on any matter related to capital markets, during the last three year 2019-20, 2020-21 & 2021-22 respectively: Nil

- III. There is no inter se relationship between the directors of the Company except Mr. Rajendra R. Shah and Mr. Dilip R Shah who are real brothers and Janki R Shah who is daughter of Managing director.

IV. Vigil Mechanism/Whistle Blower Policy

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is posted on the website of the Company

http://investor.mercurylabs.com/wp-content/uploads/2022/03/Whistle_Blower_Policy_MLL-1.pdf

V. Code of Conduct

The members of the Board and senior management personnel have affirmed the compliance with the code applicable to them during the year ended on March 31, 2022 The Annual Report of the Company contains a certificate by the CEO and Managing Director in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 based on Compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.

In accordance with requirement of Section 149(6) and (7) of the Companies Act, 2013, all the independent directors have given declarations of independence in the first Board Meeting of the current financial year.

Reconciliation of share capital audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital of the Company. The audit report confirms that the total issued / paid up capital is in agreement with the total number of share in physical form and the total number of dematerialized shares held with NSDL and CDSL.

VI. Means of Communication-Website & News Paper Published

The Quarterly, Half yearly and Annual results of the company are normally published in free press journals in English and in Nav Shakti in Marathi News Papers having wide circulation. The Financial results are also displayed on the Company's website viz www.mercurylabs.com and posted on the BSE Corporate Compliance & Listing Centre. Official news releases and presentations made to institutional investors and analysts are posted on the Company's website.

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website at www.mercurylabs.com. There is a separate section on 'Investor Relations' on the website of the Company containing details relating to the financial results declared by the Company, annual reports, presentations made by the Company to investors, shareholding patterns and such other material information which is relevant to shareholders.

The Company has designated the email ID secretarial@mercurylabs.com to enable stakeholders to email their queries/grievances.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from the Auditors of the Company, M/s. R J Shah & Associates, Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is attached to the Directors' Report forming part of the Annual Report.

VII. General Shareholder information**(i) Annual General Meeting date, time and venue:**

Day, Date & Time	Tuesday, September 27, 2022 at 11:30 a.m
Venue	Through Video Conferencing / OAVM

(ii) Financial Calendar

Financial Year: April 1 to March 31

For the financial year 2021 – 22, the results were announced as per the following details:

1 st Quarter ended on June 30, 2021	August 10, 2021
2 nd Quarter ended on September 30, 2021	October 21, 2021
3 rd Quarter ended on December 31, 2021	January 31, 2022
Audited Financial Result for the year ended on March 31, 2022	May 26, 2022

For the financial year 2022-23, financial results will be announced as per the following tentative schedule:

1 st Quarter ended on June 30, 2022	August 09, 2022
2 nd Quarter ended on September 30, 2022	First week of November, 2022
3 rd Quarter ended on December 31, 2022	First week of February, 2022
Audited Financial Result for the year ended on March 31, 2023	Last week of May, 2023

(iii) Dividend Payment Date

: On or after September 27, 2022

(iv) Date of Book Closure

The Company's Register of Member's & Share Transfer Book will remain closed from September 21, 2022 to September 27, 2022 (both days inclusive).

(v) Listing on Stock Exchange

: BSE Limited. 25th Floor,
Phiroze Jeejeebhoy
Towers, Dalal Street,
Mumbai - 400 001.

The Company has paid the listing fees to this Stock Exchange for the year 2021-22.

- (vi) **Stock Code on BSE Ltd.** : 538964
- (vii) **ISIN Code in NSDL and CDSL for Equity Shares** : INE947G01011
- (viii) **Corporate identity number (CIN) of the Company** : L74239MH1982PLC026341
- (ix) **Investors can find web link for Material Subsidiary Policy**
<http://investor.mercurylabs.com/wp-content/uploads/2019/11/Policy-on-Material-Subsidiary.pdf>
- (x) **Investors can find web link for Related Party Transaction Policy**
<http://investor.mercurylabs.com/wp-content/uploads/2019/11/Related-Party-Transaction-Policy.pdf>
- (xi) **Disclosures under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013**

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2022 are given in the Board's Report as well as in the Business Responsibility Report.

A	Number of complaints filed during the financial year	Nil
B	Number of complaints disposed off during the financial year	Nil
C	Number of complaints pending as on end of the financial year	Nil

(xii) Credit Ratings for Fixed Deposits:

The Credit Ratings reaffirmed/assigned to the Fixed Deposits of the Company during the financial year 2021-22 are as follows:

Fixed Deposits on 3 Cr. : FB+/Stable

(xiii) Market price data:

High / Low in each month of year 2021-22 on the Bombay Stock Exchange Limited, Mumbai.

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April-21	937.00	536.00	October-21	739.90	641.05
May-21	910.00	700.20	November-21	700.00	580.50
June-21	788.00	581.00	December-21	813.00	554.00
July-21	783.80	660.00	January-22	746.95	584.10
August-21	767.00	650.00	February-22	692.70	456.00
September-21	745.00	650.75	March-22	632.80	480.00

(xiv) Performance of the share price of the Company in comparison to the BSE Sensex:

Month & Year	Closing Sensex	% Change	Closing Price of Company's share	% change
April 2021	48782.36	(1.47)	851.75	32.56
May 2021	51937.44	6.47	733.30	(13.91)
June 2021	52482.71	1.05	718.00	(2.09)
July 2021	52586.84	0.20	703.55	(2.01)
August 2021	57552.39	9.44	689.65	(1.98)
September 2021	59126.36	2.73	719.95	4.39
October 2021	59306.93	0.31	690.95	(4.03)
November 2021	57064.87	(3.78)	615.00	(10.99)
December 2021	58253.82	2.08	701.35	14.04
January 2022	58014.17	(0.41)	714.70	1.90
February 2022	56247.28	(3.05)	554.90	(22.36)
March 2022	58568.51	4.13	485.00	(12.60)

(xv) Registrar and Share Transfer Agent:

Link Intime India Private Limited.
 102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank,
 Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020
 Phone No.: 0265 – 2356573, 2356794, fax No.: 0265 – 2226216.
 E-mail: vadodara@linkintime.co.in, Website: www.Linkintime.co.in

(xvi) Share transfer system:

Transfers of shares held in Demat Form are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer can be lodge with M/s. link Intime India Pvt. Ltd. At the above mentioned address.

Transfer of shares in physical form is normally processed within fifteen days from the date of receipt, if the documents are complete in all respects.

(xvii) Categories of Shareholding and Dematerialization of Shares as on March 31, 2022.

Category	Numbers of shares in physical form	Number of shares in dematerialized form	Number of total shares	Percentage of aggregate holding to total share capital
Promoters	0	883900	883900	73.66%
Foreign Institutional investors	0	0	0	0.00%
Public financial institutions	0	0	0	0.00%
Mutual funds	0	0	0	0.00%
Nationalized banks and other banks	0	0	0	0.00%
NRI's and OCB's	19300	13251	32551	2.71%
Others (includes holding of Corporate Bodies)	60000	223549	283549	23.63%
TOTAL	90600	1120700	1200000	100.00%
Percentage	6.61	93.39	100	

(xviii) Distribution of Share Holding as on March 31, 2022

No. of Shares	Number of shareholders	Percentage of Total	Number of shares for the range	Percentage of total shares
1 to 500	1133	94.65	100442	8.37
501 to 1000	18	1.50	13586	1.13
1001 to 2000	17	1.42	27010	2.25
2001 to 3000	6	0.50	15880	1.32
3001 to 4000	6	0.50	21835	1.82
4001 to 5000	1	0.08	4500	0.38
5001 to 10000	1	0.08	7688	1.64
10001 and above	15	1.25	1009059	84.09
Total	1197	100.00	1200000	100.00

(xix) The Company has not issued any GDRs / ADRs or any convertible instrument.**(xx) Plant locations:** Unit 1: At 2/13-14 BIDC, Gorwa Industrial Estate, Baroda
Unit 2: At Jarod, Dist. Vadodara**(xxi) Address for Correspondence for Settlement of shares related:**

Link Intime India Pvt. Ltd.
 102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank,
 Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020
 Phone No.: 0265 – 2356573, 2356794, fax No.: 0265 – 2226216.
 E-mail: vadodara@linkintime.co.in, Website : www. Linkintime.co.in

(xxii) Registered Office & Address for correspondence:**Registered Office Address:**

18, Shreehi Bhuvan, 51, Mangaldas Road,
 Princess Street, Mumbai – 400 002
 Telephone: 022-66372841, Tel. Fax: 22015441

- **Corporate Office:** 2/13-14, Gorwa Industrial Estate, Gorwa Road, Vadodara – 390 016
Email: secretarial@mercurylabs.com **Website:** www.mercurylabs.com

6. Certificate from Practicing Company Secretaries:

The Company has received a certificate from M/s. Mitesh Rana & Co., Practicing Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs/Reserve Bank of India or any such statutory authority.

7. Total fees paid to M/s. R J Shah & Associates, Statutory Auditors:

Total fees (excluding taxes) for all services paid by the Company on a consolidated basis, to M/s. R J Shah & Associates, Statutory Auditors within the network firm/network entity of which the statutory auditor is a part, is INR 2,50,000/-.

8. Information flow to the Board Members:

As required under Regulation 17(7), Part A of Schedule II of SEBI Listing Regulations, 2015, information is provided to the Board members for their information, review, inputs and approval from time to time.

9. Code of Conduct for Prevention of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 including amendments thereof, the Company has adopted a comprehensive Code of Conduct for Prohibition of Insider Trading and procedures for fair disclosure of Unpublished Price Sensitive Information

**On behalf of the Board of Directors of
 Mercury Laboratories Limited**

Date: 26/05/2022

Rajendra R. Shah
Managing Director
DIN: 00257253
Place: Vadodara

Dilip R Shah
Director
DIN: 00257242
Place: USA

To,
The Members
Mercury Laboratories Limited
CIN: L74239MH1982PLC026341

This is to certify that on verification of declarations made by the Directors and records maintained by Mercury Laboratories Limited ("the Company"), none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities Exchange Board of India (SEBI) / Ministry of Corporate Affairs or any such Statutory Authority as per the requirements of point 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Mitesh Rana & Co.,
Company Secretaries

Mitesh Rana
Proprietor
Membership No.: ACS 28113
CP No.: 12364
UDIN: A028113D000392391
Date: 26/05/2022
Place: Vadodara

CEO and CFO Certification

We Rajendra R Shah, Managing Director, Ashish Vasavada Chief Financial Officer certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2022 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware have been disclosed to the Auditors and the Audit Committee and the steps have been taken to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) There has not been any significant changes in internal control over financial reporting during the year under reference;
 - (2) There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (3) We are not aware of any instances during the year of significant fraud with involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Vadodara
Date: 26/05/2022

Rajendra R Shah
Managing Director
DIN: 00257253

Ashish Vasavada
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To,

The Members of Mercury Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Financial Statements of MERCURY LABORATORIES LIMITED ("the Company") which comprise the Balance sheet as at 31st March, 2022, the Statement of Profit & Loss, the Statement of Changes in Equity, the Statement of Cash Flows for the year ended on that date and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Auditor's Responsibilities for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located in Appendix A. This description forms part of our auditor's report.

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 standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located in Appendix A. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2020 ("the order") issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013, we enclose in the Annexure-A, a statement on the matters specified in paragraph 3 & 4 of the said 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 accounts as required by the law have been kept by the Company, so far as appears from our examination of the said books;
 - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company;
 - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors, as on 31st March, 2022, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2022 from being appointed as a director of the Company in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate report in Annexure – B attached herewith.
 - g) The remuneration paid by company to its directors is in accordance with the provisions of section 197 of the companies Act 2013 read with Schedule V and is not in excess of the limits specified therein
 - h) With respect to the other matters to be included in our 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) The Company has no pending litigation as on the balance sheet date.
 - (ii) There are no long term contracts for which provision is required.
 - (iii) There has been no delay in transferring amounts required to be transferred to the Investor Protection Fund by the Company.
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The Dividend declared and paid during the year by the Company is in Compliance with Section 123 of the Act.

Place: Vadodara
Date: 26/05/2022

For, R. J. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(F.R.N. 109752W)

NAYAN. R. DHOLAKIA
PARTNER
(M.R.N. 037350)
UDIN: 22037350AJRBHJ7719

Appendix A to Independent Auditors' Report**Further description of Auditor's responsibilities for audit of standalone financial statements**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

“ANNEXURE – A” TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31st March 2022 of Mercury Laboratories Limited)

- (I) (a) (I) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (II) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets over a period of time which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (C) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Financial Statements are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The physical verification of inventories has been conducted at reasonable intervals by the management of the Company and in our opinion, and to the best of our knowledge and belief, the coverage and procedure for such verification by the management is appropriate. On the basis of our examination of the records of physical verification of inventory, we are of the opinion that the no discrepancies of 10% or more in aggregate for each class of inventory were noticed. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (b) The Company has been sanctioned working capital limits in excess of five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns / statements filed by the Company are in agreement with the books of accounts of the company.
- (iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, LLPs or Other Parties during the year under report. Consequently, no comments are necessary on Para (iii) (a) (b) (c) (d) (e) & (f) of the Order.
- (iv) Since the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other Parties, the provisions of Section 185 are not applicable and no compliance is required u/s. Section 186.
- (v) The Company has accepted deposits from members/directors and the same is in compliance with the provisions of Sections 73 to 76 of the Companies Act, 2013. No order has been passed by Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) We have broadly reviewed the cost records maintained by the company for its Services pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed cost records have been made and maintained. However, we have not made a detailed examination of these records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Custom Duty and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to the Company were outstanding, as at 31st March, 2022 for a period of more than six months from the date they became payable.

- (b) According to the records of the company, there are no dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax or Goods and Service Tax which have not been deposited on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause (ix) (c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company does not own any subsidiaries, associates or joint ventures and hence, reporting under clause (ix)(e) & (f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys during the year by way of Initial Public Offer or Further Public Offer.
- (b) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private of placement shares or fully or partly convertible debentures during the year.
- (xi) (a) During the course of our audit, we have not noticed any fraud done by the Company or any fraud on the Company.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.
- (c) We have not received any information about whistle blower complaints received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c) The company or any member company of the Group is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence, reporting under clause (xvi) (c) & (d) of the Order is not applicable.
- (xviii) The company has not incurred any cash losses during the financial year under report or in immediately preceding financial year.

- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a Special Account in compliance with sub-section (6) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.
- (xxi) These being standalone financial statements, no comments are required under Paragraph (xxi) of the Order since the same is related to Consolidate Financial Statements.

Place: Vadodara
Date: 26/05/2022

For, R. J. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(F.R.N. 109752W)

NAYAN. R. DHOLAKIA
PARTNER
(M.R.N. 037350)
UDIN: 22037350AJRBHJ7719

“ANNEXURE –B” TO THE INDEPENDENT AUDITORS' REPORT
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of MERCURY LABORATORIES LIMITED (“the Company”), as on 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company are 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 Companies 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”) issued by ICAI 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company have, 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, 2022, 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 ICAI.

Place: Vadodara
Date: 26/05/2022

For, R. J. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(F.R.N. 109752W)

NAYAN. R. DHOLAKIA
PARTNER
(M.R.N. 037350)
UDIN: 22037350A.JRBHJ7719

AUDITED BALANCE SHEET AS AT 31ST MARCH, 2022

(INR In Lakhs)

Sr. No.	Particulars	Note No	As at 31.03.2022	As at 31.03.2021
	ASSETS			
(1)	Non current Assets			
	(a) Property, Plant and Equipment	3.1	2,494.43	2,627.35
	(b) Right of Use Asset	3.2	81.86	-
	(c) Capital work-in-progress		-	-
	(d) Other Intangible Assets	3.3	5.62	8.38
	(e) <u>Financial Assets</u>		-	-
	(i) Investments	4.1	0.63	0.63
	(ii) Loans	4.2	-	-
	(f) Other Non current Assets	5	138.79	121.06
(2)	Current assets			
	(a) Inventories	6	677.95	515.84
	(b) <u>Financial Assets</u>		-	-
	(i) Investments	4.1	-	-
	(ii) Trade receivables	7.1	1,753.82	2,253.74
	(iii) Cash and cash equivalents	7.2	411.13	303.08
	(iv) Bank Balances other than (iii) above	7.3	282.10	183.54
	(v) Loans	4.2	48.09	47.32
	(vi) Other financial assets	7.4	3.11	1.42
	(c) Other current assets	8	424.91	474.72
			-	-
	Total Assets		6,322.44	6,537.08
	EQUITY AND LIABILITIES			
(1)	Equity			
	(a) Equity Share capital	9	120.00	120.00
	(b) Other Equity	10	3,914.08	3,569.45
	Total equity attributable to equity holders of the Company		4,034.08	3,689.45
(2)	LIABILITIES			
	Non-Current liabilities			
	(a) Borrowing	11	506.74	623.99
	(b) Lease Liabilities	12	41.86	-
	(c) Provisions	13	153.58	127.48
	(d) Deferred Tax Liability	14	223.04	212.79
			-	-
(3)	Current liabilities			
	(a) <u>Financial Liabilities</u>			
	(i) Borrowing		-	-
	(ia) Lease Liabilities	12	42.54	-
	(ii) Trade payables	15	-	-
	(A) Total Outstanding dues of Micro Enterprises and Small Enterprises		55.24	142.63
	(B) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		631.31	1,035.45
	(iii) Other financial liabilities	16	186.75	266.79
	(b) Other current liabilities	17	310.19	234.17
	(c) Provisions	13	-	-
	(d) Current Tax Liabilities (Net)	18	137.11	204.33
			-	-
	Total Liabilities		2,288.36	2,847.63
	Total Equity and Liabilities		6,322.44	6,537.08

Company Overview

1

Summary of significant accounting policies

2

The Notes referred to above form an integral part of financial statement as per our report of even date

For R. J. Shah & Associates
Chartered Accountants
F.R.N.109752W

For and behalf of the Board
Mercury Laboratories Limited

Nayan R. Dholakia
Partner
M.No.037350
Place : Vadodara
Date : 26-05-2022
UDIN : 22037350AJRBHJ7719

Rajendra R. Shah
Managing Director
DIN : 00257253
Place : Vadodara

Dilip R Shah
Director
DIN : 00257242
Place : USA

Ashish Vasavada
Chief Financial Officer
Place : Vadodara

Krishna Shah
Company Secretary
Place : Vadodara

Date: 26-05-2022

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2022

(INR in Lakhs)

	Particulars	Note No.	Year ended 31.03.2022	Year ended 31.03.2021
I	Revenue From Operations	19	5,792.38	6,860.15
II	Other Income	20	81.59	88.02
III	Total Income (I+II)		5,873.97	6,948.17
IV	EXPENSES			
	Cost of materials consumed	21	2,183.36	2,948.41
	Purchase of Stock in trade		204.59	152.62
	Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress	22	(22.00)	15.88
	Employee benefits expense	23	1,237.30	979.96
	Finance costs	24	44.64	64.14
	Depreciation and amortization expense	3.1,3.2,3.3	245.28	192.05
	Other expenses	25	1,477.68	1,804.21
	Total expenses (IV)		5,370.85	6,157.27
V	Profit/(loss) before exceptional items and tax (I-IV)		503.12	790.90
VI	Exceptional Items			
	Income tax of previous year		(12.75)	
VII	Profit/(loss) before tax (V-VI)		515.87	790.90
VIII	Tax expense:			
	(1) Current Tax		137.00	218.36
	(2) Deferred tax		10.25	38.79
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		368.62	533.75
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)			
XIII	Profit/(loss) for the period (IX+XII)		368.62	533.75
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	Total comprehensive income for the period (XIII + XIV)		368.62	533.75
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		30.72	44.48
	(2) Diluted		30.72	44.48
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share (for discontinued & continuing operations)			
	(1) Basic		30.72	44.48
	(2) Diluted		30.72	44.48

Notes referred to above form an integral part of financial statement as per our report of even date

For R. J. Shah & Associates
Chartered Accountants
F.R.N.109752W

For and behalf of the Board
Mercury Laboratories Limited

Nayan R. Dholakia
Partner
M.No.037350
Place : Vadodara
Date: 26-05-2022
UDIN : 22037350AJRBHJ7719

Rajendra R. Shah
Managing Director
DIN : 00257253
Place : Vadodara

Dilip R Shah
Director
DIN : 00257242
Place : USA

Ashish Vasavada
Chief Financial Officer
Place : Vadodara

Krishna Shah
Company Secretary
Place : Vadodara

Date: 26-05-2022

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2022

(INR in Lakhs)

Sr.	Item	Year ended 31.03.2022	Year ended 31.03.2021
A.	Cash flow from Operating Activities :		
	Net Profit before Tax & Extra Ordinary Items	503.12	790.90
	Adjustment for :		
	Depreciation & Write-offs	245.28	192.05
	Loss/(Profit) on Sale of Investments/Assets	(2.25)	-
	Bad Debts	-	-
	Interest	44.64	64.15
	Operating Profit before Working Capital Changes	790.79	1,047.10
	Adjustments for :		
	(Increase)/Decrease in Trade Receivables	499.92	(439.77)
	(Increase)/Decrease in Inventories	(162.11)	34.93
	(Increase)/Decrease in Loans & Advances	(0.76)	2.52
	(Increase)/Decrease in other current assets	48.11	9.64
	Increase/(Decrease) in Trade Payable	(491.52)	335.30
	Increase/(Decrease) in Other Current Liabilities	(4.02)	(40.04)
	Increase/(Decrease) in Long term provisions	26.10	8.49
	Cash Generated from Operations	706.52	958.17
	Interest Paid	-	-
	Direct Taxes Paid (Net of Refund)	(191.46)	(136.79)
	Cash Flow before Extra Ordinary Items	515.05	821.38
	Prior Period Items (being cash items)	-	-
	Net Cash Flow from Operating Activities	515.05	821.38
B.	Cash flow from Investing Activities		
	Purchase of Fixed Assets	(191.46)	(461.93)
	Net Proceeds from Sale of Fixed Assets	2.25	-
	Dividend Received	-	-
	Investments	-	-
	Sale of Investments	-	-
	Net Cash used in Investment Activities	(189.21)	(461.93)
C.	Cash Flow from Financing Activities		
	Interest Paid	(44.64)	(64.15)
	(Increase)/Decrease in Other Non current Assets	(17.73)	(8.75)
	Increase/(Decrease) in Short Term Borrowings	-	-
	Increase/(Decrease) in Lease Liabilities	84.40	-
	Increase/(Decrease) in Long Term Borrowings	(117.26)	(8.62)
	Dividend Paid	(24.00)	(42.00)
	Net Cash used in Financing Activities	(119.23)	(123.52)
D.	Net Increase/(Decrease) in Cash and Cash Equivalents	206.62	235.93
	Cash and Cash Equivalents at beginning of the year	486.61	250.68
	Cash and Cash Equivalents at the end of the year	632.27	426.88
	Earmarked balances with banks (Margin Money)	60.96	59.73
	Cash & Bank balances at the end of the year	693.23	486.61

As per our Report of Even Date

For R. J. Shah & Associates
Chartered Accountants
F.R.N.109752W

Nayan R. Dholakia
Partner
M.No.037350
Place : Vadodara
Date: 26-05-2022
UDIN : 22037350AJRBHJ7719

For and behalf of the Board
Mercury Laboratories Limited

Rajendra R. Shah
Managing Director
DIN : 00257253
Place : Vadodara

Ashish Vasavada
Chief Financial Officer
Place : Vadodara

Dilip R Shah
Director
DIN : 00257242
Place : USA

Krishna Shah
Company Secretary
Place : Vadodara

Date: 26-05-2022

Statement of changes in Equity for the Period ended 31st March, 2022

a. Equity Share Capital :

(INR in Lakhs)

As At 31 st March, 2021	120.00
Changes in equity share capital	-
As At 31 st March, 2022	120.00

b. Other Equity :

(INR in Lakhs)

Particulars	Reserves and Surplus			
	General Reserve	Securities Premium Reserve	Retained Earnings	Total Equity
As At 01 st April, 2020	2,891.28	36.00	150.43	3,077.71
Profit for the year	-	-	533.75	533.75
Other comprehensive income for the year	-	-	-	-
Add/(Less): Adjustment related to Expected Loss on Trade Receivables,	-	-	-	-
Add/(Less): Adjustment related to Deferred Tax for Expected Loss on Trade Receivables.	-	-	-	-
Dividends paid	-	-	(42.00)	(42.00)
Depreciation consequent to revaluation adjusted	-	-	-	-
Remeasurement of the Net Defined benefit liability /asset, net of tax effect	-	-	-	-
Transfer to General Reserve	350.00	-	(350.00)	-
Transfer to PPE	-	-	-	-
As at 31 st March, 2021	3,241.28	36.00	292.18	3,569.45
As At 01 st April, 2021	3,241.28	36.00	292.18	3,569.45
Profit for the year	-	-	368.62	368.62
Other comprehensive income for the year	-	-	-	-
Dividends paid	-	-	(24.00)	(24.00)
Depreciation consequent to revaluation adjusted	-	-	-	-
Remeasurement of the Net Defined benefit liability /asset, net of tax effect	-	-	-	-
Transfer to General Reserve	350.00	-	(350.00)	-
As at 31 st March, 2022	3,591.28	36.00	286.80	3,914.08

Description of nature and purpose of each reserve -

a) General Reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

b) Securities Premium Reserve

"Securities premium account represents the surplus of proceeds received over the face value of shares, at the time of issue of shares."

c) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Notes to the Financial Statements for the year ended 31st March, 2022

1. Company Overview

Mercury Pharmaceutical Industry a registered partnership firm established in the year 1962 subsequently it converted into Private Limited Company registered under Companies Act 1956, in the year 1982. Later it converted into Limited Company in the year 1992. The company has obtained ISO 9001:2008 registrations.

The company is engaged into the manufacturing and export of wide range of Pharmaceutical items. The products of the company are in the segment of gynec and pediatrics. The financial statements of the company for the year ended 31st March 2022 were authorized for issue in accordance with a resolution of the Board of directors on 26th May, 2022.

2. Significant Accounting Policies:

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Compliance with Ind AS

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2017.

Accordingly, these financial statements as and for the year ended 31st March, 2022 & 31st March, 2021 have been prepared in accordance with Ind AS.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the company's functional currency. All amounts have been rounded-off to the nearest lakhs, as per the requirements of Schedule III, unless otherwise stated.

c) Use of Judgments, Estimates and Assumptions

The Preparation and Presentation of Financial Statements as per the above bases required the management to make estimates and assumptions that may affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the balance sheet and the reported amounts of incomes and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimated. Estimates and underlying assumptions are reviewed on ongoing basis. The effects of changes in accounting estimates are reflected in the financial statements in the period in which results are known and, if material, are disclosed in the financial statements.

a. Determination of the estimated useful life of property plant and equipment

Useful life of property plant and equipment is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

b. Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognized in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

c. Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

d. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

e. Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realizable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

f. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

g. Impairment of non- financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

h. Other Provisions

Significant estimates are involved in the determination of provisions. Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated..

d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing goods and service tax and other indirect taxes.

Sale of Goods

Revenue from sales is recognised when all significant risks and rewards of ownership and control of the commodity sold are transferred to the customer which generally coincides with delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component and consideration payable to the customer like return and trade discounts.

Sales are disclosed excluding net of sales returns and Goods and Service Tax (GST).

Sale of Scrap

Revenue from sale of scrap is recognized as and when scrap is sold.

Other income

Interest Income is recognized on a time proportionate basis including interest accrued based on the amount outstanding and rate applicable and shown under "Other Income".

Export Benefits

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and the net benefit/obligation is accounted by making suitable adjustments in raw material consumption. The benefits accrued under the duty drawback scheme and Merchandise Export from India Scheme (MEIS) as per the Import and export Policy in respect of exports under the said scheme are recognized when there is a reasonable assurance that the benefit will be received and the company will comply with all attached conditions. The above benefits have been included under the head 'Export Incentives'.

Dividend income

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Insurance Claims:

Insurance claims are accounted on accrual basis when there is reasonable certainty of realisability of the claim amount.

Commission Income:

Income on account of commission is accounted on accrual basis based on the Terms of Agreement.

e) Property, Plant and Equipment**(i) Property, plant and equipment**

Freehold land is carried at historical cost. All other items of PPE are stated at cost, and comprises of its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use less accumulated depreciation and impairment loss.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Spare parts are treated as capital assets when they satisfy the definition of property plant and equipment otherwise such items are classified as inventory.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment.

The cost of such construction is classified and capitalized to the appropriate categories of property plant and equipment when completed for intended use. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non Current Assets" and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

(iii) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Research costs are expensed as incurred. Product development expenditure incurred on individual product project is recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset and use or sell it;
- Its ability to use or sell the asset;
- The availability of adequate resources to complete the development and to use or sell the asset;
- The ability to measure reliably the expenditure attributable to the intangible asset during development

f) Amortization

Any expenditure capitalized as technical know-how is amortized on a straight line basis over the period over which the benefit is derived by the company

Derecognition of Intangible assets

Intangible assets are derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gain or losses arising from the derecognition of an intangible asset measured on the differences between the net disposable proceeds and the carrying amount of the asset are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation

Depreciation method, estimated useful lives and residual value

- (i) Depreciation on property, Plant and equipment is being provided on the Straight Line Method on the basis of useful lives specified in part C of schedule II to the Companies Act, 2013.
- (ii) No depreciation is being provided on the assets sold during the year. On the additions during the year, depreciation has been provided pro-rata on the basis of number of days for which the asset was used during the year.
- (iii) Depreciation on property, plant and equipment is provided based on the useful life and in the manner prescribed in schedule-II of companies Act 2013 in respect of following categories of assets where useful life of the property, plant and equipment have been determined by the management based on the technical assessment and evaluation. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

g) Inventories

- i. Inventories are measured at 'Cost or Net Realizable Value whichever is lower'. Raw material and packing material are measured on FIFO basis after providing for obsolescence and other losses as considered necessary. 'Cost' includes all duties, taxes and other expenses incurred to bring the inventories to their present location and condition, except duties and taxes which are subsequently recoverable from the taxing authorities.
- ii. Finished goods produced by the company are valued at lower of cost or net realizable value.
- iii. Semi-Finished goods have been valued at lower of Raw Material cost, direct labour and appropriate proportion of variable and fixed overheads, latter being allocated based on normal operating capacity or net realizable value.
- iv. Stock of goods purchased for resale purposes are valued at their acquisition cost inclusive of all duties and taxes or Net Realizable Value whichever is lower.

h) Research and Development Cost

Research and development cost, where applicable, includes the salary and perquisites offered to Company personnel directly involved with this activity and any other expense directly identifiable with this activity.

i) Equity Investments

Investments are classified as Current & Long Term Investments. Long Term Unquoted Investments are stated at Cost.

j) Foreign Currency Transactions

Transactions in foreign currency to the extent not covered by forward contract are recorded in Indian Rupees at the exchange rate prevailing on the date of the transactions. Exchange gains or losses on settlement, if any, are treated as income / expenditure respectively in the Statement of Profit & Loss except those relating to acquisition of fixed assets, if any, which are adjusted in the cost of such assets. Liabilities in foreign currency as well as receivables in foreign currency as on the date of the Balance Sheet have been restated at the rates of exchange prevailing as on the date of Balance Sheet. However, if the liabilities / receivable have been actually realized subsequently, the same have been recorded at that value.

k) Retirement Benefits

Employee Benefits comprise short term as well as long term defined benefit as well as defined contribution plans.

Contributions to Provident Fund are defined contributions. The Company's Contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no further obligations beyond the periodic contributions.

Retirement Benefits in form of Gratuity are defined benefit obligations and are provided for on the basis of actuarial valuation using projected unit credit method as at the balance sheet date. Actuarial gain / losses are immediately taken to the Statement of Profit and Loss and are not deferred.

Entitlement of employees accumulating earned leave and eligibility of compensation or encashment of the same is also a defined benefit obligation. In terms of the policy of the Company regarding accumulation of earned leave or encashable or compensatory leave, the obligation is treated as long term in nature.

l) Borrowing Costs

General or specific borrowing costs directly attributable to acquisition / construction or production of qualifying assets are capitalized as part of the cost of that Fixed Asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged as an expense in the period in which they are incurred. Borrowing cost consists of interest and other cost that the company incurs in connection with the borrowing of funds.

m) Taxes on Income

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Provision for taxation for the year under report includes provision for current tax, unassessed liability of previous year's income tax as well as provision for deferred tax.

Deferred tax

Deferred tax is provided using the liability approach temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized

- i. Deferred tax is recognized, subject to prudence, on timing differences between taxable income and accounting income that originate during the year and are capable of being reversed in one or more subsequent periods. Deferred tax assets/liabilities are recognized only to the extent that there is a reasonable certainty that future taxable income will be available against which such deferred tax assets can be realized.
- ii. Deferred Tax Liabilities / Assets are quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

n) Impairment of Assets

i. Financial Assets:

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in statement of profit and loss.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognised in the statement of profit and loss

II. Non-Financial Assets

Property, plant and equipment, ROU assets, Capital work-in-progress, Intangible assets and intangible assets under development are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. Intangible assets under development are tested for impairment annually. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the CGUs to which the individual assets are allocated.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

o) Leases

Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

i. Right-of-use assets:

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The right-of-use assets are also subject to impairment.

ii. Lease liabilities:

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made or a change in the assessment of extension or termination options. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

p) Contingencies / Provisions

Contingencies which can be reasonably ascertained are provided for i.e. a provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reasonable estimate can be made.

Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Other Contingencies, the outcome of which is not certain, have been disclosed in these notes as Contingent Liabilities. Contingent Assets have not been provided for.

q) Segment Reporting

With respect (Ind AS- 108 Segment Reporting), the Management of the Company is of the view that the products offered by the Company are in the nature of Pharmaceuticals and its related products, having the same risks and returns, same type and class of customers and regulatory environment. Hence, the business of production and sale of pharmaceuticals and its related products belong to one business segment only.

r) Financial Assets & Financial Liabilities

With respect to Ind AS- 109 Financial Instruments, all financial assets and liabilities are recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit and loss, are adjusted to the fair value on initial recognition. Purchase and Sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing asset or liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/profit in case of financial assets or liabilities.

s) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash on hand, cheques on hand, demand deposits with the banks.

t) Allowance for expected credit loss

The expected credit allowance is based on the aging of the days receivable which are past due and the rates derived based on past history of defaults in the provisions.

u) GST Input Credit

Goods and service tax (GST) input credit is accounted on an accrual basis on purchase of eligible inputs, capital goods and services. The balance of GST input credit is reviewed at the end of each year and amount estimated to be un-utilizable is charged to the statement profit and Loss for the year.

v) Earnings per Share

Basic earnings per share are computed by dividing the net profit by the number of equity shares outstanding at the end of the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year.

3.1 Property, Plant & Equipment

(INR in Lakhs)

Particulars	Land	Factory Building Bandra	Jarod New Building R&D	Tablet Building-Jarod	Jarod Building Old	Antiochill - Bombay	Jarod Building New	Plant & Machinery	ETP-Plant	Air Condition	AC-Chiller Plant	Laboratory Instruments	Furniture & Fixtures	Computers	Electrical Installation	Vehicle-Motor Car	Vehicle-Scooter	Office Equipment	Solar Panel	Total
Gross carrying amount																				
Opening Balance As at 1st April, 2020	67.36	179.90	261.55	99.05	17.94	7.76	967.01	802.71	15.72	224.50	377.38	153.84	115.11	77.58	151.46	102.46	0.69	6.95	-	3,623.59
Additions	-	4.91	-	-	-	-	29.09	197.52	-	6.85	-	18.19	13.10	2.64	0.34	46.27	-	-	153.68	472.59
Deductions/ Adjustments	-	-	-	-	-	-	-	21.90	-	-	-	-	-	-	-	-	-	-	-	21.90
Transfer from Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening Balance As at 1st April, 2021	67.36	184.41	261.55	99.05	17.94	7.76	996.10	978.33	15.72	231.35	377.38	172.03	128.21	80.22	151.80	148.73	0.69	6.95	153.68	4,079.28
Additions	-	-	-	-	-	-	25.61	20.87	-	-	-	5.25	6.05	-	-	15.46	-	1.14	-	80.53
Deductions/ Adjustments	-	-	-	-	-	-	-	2.25	-	-	-	-	-	-	-	-	-	-	8.21	10.46
Transfer from Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance As at 31st March, 2022	67.36	184.41	261.55	99.05	17.94	7.76	1,021.71	997.05	15.72	231.35	377.38	177.28	134.26	86.27	151.80	164.19	0.69	8.09	145.47	4,149.35
Accumulated Depreciation:																				
Opening Balance As at 1st April, 2020	-	42.85	14.70	52.56	7.76	3.45	215.50	320.08	5.90	90.90	145.33	86.83	69.24	70.10	87.78	49.12	0.66	4.32	-	1,267.68
Additions	-	4.69	8.22	3.50	0.57	0.34	31.46	51.55	0.35	13.16	26.60	9.84	6.71	3.59	15.09	11.01	-	1.41	2.32	190.41
Deductions/ Adjustments	-	-	-	-	-	-	-	5.56	-	-	-	-	-	-	-	-	-	-	-	5.56
Opening Balance As at 1st April, 2021	-	47.54	22.92	56.06	8.33	3.79	246.96	366.07	6.25	104.06	171.93	96.67	75.95	73.69	102.87	60.13	0.66	5.73	2.32	1,451.93
Additions	-	4.69	8.53	3.50	0.57	0.34	32.85	53.77	0.35	11.78	26.60	11.04	7.24	4.71	15.09	14.36	-	0.46	9.36	205.24
Deductions/ Adjustments	-	-	-	-	-	-	-	-2.25	-	-	-	-	-	-	-	-	-	-	-	2.25
Balance As at 31st March, 2022	-	52.23	31.45	59.56	8.90	4.13	279.81	417.59	6.60	115.94	198.53	107.71	83.19	78.40	117.96	74.49	0.66	6.19	11.68	1,654.92
Net carrying amount:																				-
Balance As at 31st March, 2022	67.36	132.18	230.10	39.49	9.04	3.65	741.90	579.46	9.12	115.51	178.85	89.57	51.07	7.87	33.84	89.70	0.03	1.90	133.79	2,494.43
Balance As at 31st March, 2021	67.36	136.87	238.63	42.99	9.61	3.99	748.14	612.26	9.47	127.29	205.45	75.36	52.26	6.53	48.93	88.60	0.03	1.22	151.36	2,627.35

3.2 Right of Use Asset

(INR in Lakhs)

Particulars	Land
Gross carrying amount	
Opening Balance As at 1 st April ,2020	-
Additions	-
Deductions/ Adjustments	-
Opening Balance As at 1 st April ,2021	-
Additions	119.15
Deductions/ Adjustments	-
Balance As at 31st March, 2022	119.15
Accumulated Depreciation:	
Opening Balance As at 1 st April ,2020	-
Additions	-
Deductions/ Adjustments	-
Opening Balance As at 1 st April ,2021	-
Additions	37.29
Deductions/ Adjustments	-
Balance as at 31st March 22	37.29
Net carrying amount:	
Balance As at 31st March, 2022	81.86
Balance As at 31st March, 2021	-

3.3 Other Intangible Assets

(INR in Lakhs)

Particulars	Computer Software
Gross carrying amount	
Opening Balance As at 1 st April ,2020	29.66
Additions	5.70
Disposals	-
Transfer from Revaluation Reserve	-
Opening Balance As at 1 st April ,2021	35.36
Additions	-
Disposals	-
Transfer from Revaluation Reserve	-
Balance As at 31st March ,2022	35.36
Accumulated Depreciation:	
Opening Balance As at 1 st April ,2020	25.32
Charge for the period	1.66
Other Adjustments	-
Opening Balance As at 1 st April ,2021	26.98
Charge for the period	2.76
Other Adjustments	-
Balance As at 31st March, 2022	29.74
Net carrying amount:	
Balance As at 31st March, 2022	5.62
Balance As at 31st March, 2021	8.38

1. Note-4 to Schedule II specifies that the useful life specified in Part C of the Schedule is for whole of the asset. Where Cost of a Part of the Asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part should be determined separately. As per the Management of the Company and considering the nature of Fixed Assets lying in the Block of Assets of the Company, particularly the Plant and Machineries lying in the Block, there are no such major parts whose useful life is different from the useful life of the remaining asset and hence the Company has considered the useful life of the said parts equivalent to the useful life of the Asset only. However as informed to us, the Company has undertaken the specific exercise of identifying the parts where the Cost is significant to the total cost and whose useful life might be different from the useful life of the remaining assets. If such parts are identified, the same shall be given effect to prospectively.

4. Financial Asset**4.1 Investment**

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Non- Current		
Investment in Equity Shares (Non trade investment- Unquoted)		
(Fully Paid- up)		
BIDC Shares (63 Shares OF Rs.1000 each)	0.63	0.63
Total Non Current (A)	0.63	0.63
Current	-	-
Total Current (B)	-	-
Total (A+ B)	0.63	0.63
Aggregate Value of unquoted investment	0.63	0.63

4.2 Loans

(Unsecured, considered good unless otherwise stated)

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Non- Current	-	-
Total Non Current (A)		
Current		
(a) Earnest Money Deposit & others	47.99	46.64
(b) Advances to Staff	0.10	0.68
Total Current (B)	48.09	47.32
Total (A+ B)	48.09	47.32

5 Other Non - Current Assets

(Unsecured, considered good unless otherwise stated)

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Employee Gratuity Scheme	138.79	121.06
Total	138.79	121.06

6 Inventories

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<u>Inventories (lower of cost or net realisable value)</u>		
Raw Materials	309.02	185.49
Packing Material	134.27	117.70
Work-in-Progress	61.18	30.72
Finished goods	173.48	181.93
Total	677.95	515.84

Note : Quarterly statement of current assets submitted by company with Banks are in agreement with books of accounts.

Financial Assets**7.1 Trade Receivables**

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured, considered good	1,674.49	2,174.60
Unsecured, considered Doubtful	79.33	79.14
Allowance for doubtful debts (Expected Credit Loss allowance) #	-	-
Total	1,753.82	2,253.74

Allowance for doubtful debts have been shown under Other Current Liability (note no 17)

Trade Receivable aging Scheduled as at 31.03.2022

(INR in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) Undisputed Trade receivables - considered good	742.73	302.71	144.58	164.28	320.19	1,674.49
(ii) Undisputed Trade receivables - which have significant increase in credit risk	22.48	9.16	18.92	19.08	9.69	79.33
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	765.21	311.87	163.50	183.36	329.88	1,753.82

Trade Receivable aging Scheduled as at 31.03.2021

(INR in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) Undisputed Trade receivables - considered good	1,629.04	150.19	55.86	158.10	181.43	2,174.62
(ii) Undisputed Trade receivables - which have significant increase in credit risk	64.93	3.85	2.02	3.88	4.44	79.12
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	1,693.97	154.04	57.88	161.98	185.87	2,253.74

7.2 Cash and cash equivalents

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balances with banks		
(a) In current accounts	411.13	303.00
Cash on Hand	-	0.08
Total	411.13	303.08

7.3 Balances other than (iii) above

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Other Bank Balances		
(a) Balances held as Margin Money	60.96	59.73
(b) Balances held in unpaid dividend accounts	8.82	8.78
(c) Other Fixed Deposits with Bank (Less than 12 Months)	212.32	115.03
Total	282.10	183.54

7.4 Other Financial Assets

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Current		
(a) Accrued Interest Income	3.11	1.42
Total	3.11	1.42

**8 Other Current Assets
(Unsecured, considered good)**

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Advances other than Capital Advances	18.97	64.86
(b) Prepaid expenses	11.44	4.53
(c) Balances with government authorities	172.59	159.08
(d) Other Advances	89.54	79.97
(e) Advance Income taxes and refunds receivable	132.37	166.28
Total	424.91	474.72

9 Share Capital

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Authorised		
12,00,000 Equity shares of Rs 10/- each	120.00	120.00
13,00,000 Cumulative Redeemable Convertible Preference Shares of Rs 10/- each	130.00	130.00
Total	250.00	250.00
Issued, Subscribed and Paid up Capital		
<u>12,00,000 Equity shares of Rs 10/- each</u>		
Opening Balance	120.00	120.00
Increase / (decreased) during the year	-	-
Closing Balance	120.00	120.00

Terms & Rights attached to each class of shares;

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of the liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

a) Reconciliation of Shares outstanding at the beginning and at the end of the reporting period;

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number	Amount (INR in Lakhs)	Number	Amount (INR in Lakhs)
Shares at the beginning of the year	12,00,000	120.00	12,00,000	120.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	12,00,000	120.00	12,00,000	120.00

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

c) Shares held by Holding Company and Subsidiaries of Holding Company in aggregate As at 31st March

Company does not have holding and subsidiary company during the FY 21-22 and FY 20-21

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Shareholders	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Dilipbhai Ramanlal Shah (HUF)	3,10,600	25.88	3,10,600	25.88
Shah Rajendra Ramanlal (HUF)	2,09,050	17.42	2,09,050	17.42
Janki Rajendra Shah	1,04,000	8.67	1,04,000	8.67
Rajendra Ramanlal Shah	85,650	7.14	85,650	7.14
Dilipbhai Ramanlal Shah	84,850	7.07	84,850	7.07

e) Details of shareholdings by the Promoter's of the Company

Promoters	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity shares with voting rights				
Dilipbhai Ramanlal Shah (HUF)	3,10,600	25.88	3,10,600	25.88
Shah Rajendra Ramanlal (HUF)	2,09,050	17.42	2,09,050	17.42
Janki Rajendra Shah	1,04,000	8.67	1,04,000	8.67
Rajendra Ramanlal Shah	85,650	7.14	85,650	7.14
Dilipbhai Ramanlal Shah	84,850	7.07	84,850	7.07
Pareesh Ramanlal Shah	23,650	1.97	23,650	1.97
Kaumudini Rajendra Shah	21,150	1.76	21,150	1.76
Adit Dilipbhai Shah	15,450	1.29	15,450	1.29
Bimal Ramanlal Shah	14,000	1.17	14,000	1.17
Parulben Kiranbhai Laliwala	12,200	1.01	12,200	1.01
Kishoriben Dilip Shah	3,300	0.28	3,300	0.28

10 Other Equity

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
General Reserve		
Opening Balance	3,241.28	2,891.28
Additions	350.00	350.00
Closing Balance - (A)	3,591.28	3,241.28
Securities Premium Reserve		
Opening Balance	36.00	36.00
Additions	-	-
Closing Balance - (B)	36.00	36.00
Retained Earnings		
Opening Balance	292.18	150.43
Add: Profit/(Loss) for the year as per Statement of Profit and Loss	368.62	533.75
Add: Depreciation consequent to revaluation adjusted	-	-
Add/(Less): Adjustment related to Expected Loss on Trade Receivables,	-	-
Add/(Less): Adjustment related to Deferred Tax for Expected Loss on Trade Receivables.	-	-
Transferred to General Reserve	(350.00)	(350.00)
Dividends paid	(24.00)	(42.00)
Closing Balance - (C)	286.80	292.18
Total (A + B + C)	3914.08	3569.45

11 Borrowings

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Non Current		
Secured - at amortized cost		
a) Loans repayable on demand		
- From HDFC bank (Cash Credit - against Hypothecation of Stocks and Book Debts)	258.20	269.13
- From banks Term loan	-	87.66
Vehicle Loan A/c	6.02	15.52
Unsecured	-	-
Fixed Deposits From Members	217.08	251.68
Loan From Director	25.44	-
Total	506.74	623.99

HDFC Bank has sanctioned various credit facilities as working capital finance & Export Credit facility which is secured by way of Hypothecation charged over Plant & Machinery at Gorwa, Vadodara. Further, charge is also created on stock of inventories & book-debts of the company. The Directors Rajendra Shah have given Personal Guarantee to the Bank. The rate of Interest for Working Capital finance is 7.55 % p.a.

The amount taken as deposits from members are unsecured and are for the period of 36 months.

Interest on unsecured deposits and Loan from Directors have been paid at the rate of 8% p.a.

12 Lease Liability

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Non- Current		
Lease Liability Payable beyond 12 months	41.86	-
Current		
Lease Liability Payable within 12 months	42.54	-
Total Lease Liability	84.40	-
The Movement in Lease liabilities (non current and current) is follows:		
Balance as at beginning of the year	-	-
Add: Addition	119.15	-
Add: Accretion of interest	7.34	-
Less: Payments	42.09	-
Closing balance	84.40	-

Lease liability is initially measured at the present value of future lease payments. Lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

13 Provisions

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Non Current		
a) Provision for employee benefits		
Provision for Gratuity	124.33	106.08
Provision for Leave Encashment	29.25	21.40
Total Non Current (A)	153.58	127.48
Current		
(i) Provision for others	-	-
Total Current (B)	-	-
Total (A+ B)	153.58	127.48

Method Used		Projected Unit Credit Method	
Actuarial Assumptions Used			
Mortality Rate Table No.	LIC (2006-08)	Expected Return on Plan Assets	7.00%
Discount Rate	7.00%	Salary Escalation Rate	7.00%
Major Categories of Plan Assets - Insurer managed funds - 100%			

(INR in Lakhs)

Change in Present Value of Defined Benefit Obligation	As at 31.03.2022	As at 31.03.2021
Present Value of Obligations as at the beginning of the Year	106.08	97.32
Interest Cost	7.43	7.06
Current Service Cost	25.08	12.53
Benefits Paid	(1.83)	(3.08)
Actuarial (gains) / losses on obligation	(12.43)	(7.75)
Present Value of Obligations as at the end of the Year	124.33	106.08
Change in Fair Value of Plan Assets		
Fair Value of Plan Assets as at the beginning of the Year	121.06	112.31
"Expected Return on Plan Assets	7.91	8.28
Contributions	11.65	3.55
Benefits Paid	(1.83)	(3.08)
Actuarial (gains) / losses on Plan Assets	Nil	Nil
Fair Value of Plan Assets as at the end of the Year	138.79	121.06
Defined Benefit Obligation as recognized in Balance Sheet		
Present Value of Obligations as at the Year end	124.33	106.08
Unrecognised Past Service Cost	NIL	NIL
Fair Value of Plan Assets as at the Year end	138.79	121.06
Net (Asset) / Liability recognized in Balance Sheet	(14.46)	(14.98)
Net Gratuity Benefit Expenditure Recognised in P&L Account		
Current Service Cost	25.08	12.53
Interest Cost	7.43	7.06
Expected Return on Plan Assets	(7.91)	(8.28)
Net Actuarial (Gain) / Loss Recognised in the Year	(12.43)	(7.75)
Net Expense Recognised in Statement of Profit & loss	12.17	3.56

The estimates of rate escalation in salary is considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

"The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2021-22"

The plan typically expose the Company to actuarial risks such as: interest rate risk, liquidity risk, salary escalation risk and regulatory risk.

Interest Rate Risk:

The plan exposes the Company to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability(as shown in financial statements.)

Liquidity Risk:

This is the risk that the Company is not able to meet the short-term gratuity pay outs. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk:

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of INR 20,00,000)

14 Deferred Tax Liabilities (Net)

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred Tax Asset	30.91	27.97
Deferred Tax Liabilities	253.95	240.76
Total	223.04	212.79

Deferred tax (asset) /liabilities in relation to:

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Opening balance	174.00	182.20
Loss allowances on trade receivables (Expected Credit Loss)	1.49	(19.96)
Non deductible expenses for tax purpose	0.07	(0.48)
Property, plant and equipment	37.23	12.24
Investments carried at FVTPL		
Total	212.79	174.00
Recognised in Profit or loss		
Loss allowances on trade receivables (Expected Credit Loss)	4.92	1.49
Non deductible expenses for tax purpose	(2.89)	0.07
Property, plant and equipment	8.22	37.23
Investments carried at FVTPL		
Total	10.25	38.79
Recognised in Other comprehensive income		
Investments carried at FVTOCI		
Remeasurement of Defined benefit plans (OCI)		
Total	-	-
Closing balance	223.04	212.79
Loss allowances on trade receivables (Expected Credit Loss)	4.92	1.49
Non deductible expenses for tax purpose	(2.89)	0.07
Property, plant and equipment	8.22	37.23
Investments carried at FVTOCI		
Remeasurement of Defined benefit plans (OCI)		

15 Trade Payables

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Total Outstanding dues of Micro Enterprises and Small Enterprises	55.24	142.63
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	631.31	1,035.45
Total	686.55	1,178.08

NOTE : Refer Note No.43 for Dues to Micro and Small Enterprises**Dues to Micro and Small Enterprises :**

With reference to amounts shown as payable to Micro, Small and Medium Enterprises, the information has been compiled in respect of parties to the extent they could be identified as Micro, Small and Medium Enterprises on the basis of information collected and available with the Company and same has been relied upon by the auditors. The Company deals with various Micro Small and Medium Enterprises on mutually accepted terms and conditions.

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022

(INR in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) MSME	55.24	-	-	-	55.24
(ii) Others	609.37	12.42	9.52	-	631.31
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
Total	664.61	12.42	9.52	-	686.55

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2021

(INR in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) MSME	142.63	-	-	-	142.63
(ii) Others	1,004.91	26.60	2.53	1.41	1,035.45
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
Total	1,147.54	26.60	2.53	1.41	1,178.08

16 Other Financial Liabilities

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Non Current	-	-
Total Non Current Other Financial Liabilities (A)	-	-
Current		
(a) Current Maturities On Term Loan from Bank	-	74.53
(b) Vehicle Loan A/c	7.40	11.24
(c) Unpaid Dividends	8.82	8.78
(d) Security Deposits	93.20	93.48
(e) Other Expenses Payable	77.33	78.76
Total Current Other Financial Liabilities (B)	186.75	266.79
Total (A +B)	186.75	266.79

17 Other Current Liabilities

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Non Current	-	-
Total Non Current (A)	-	-
Current		
(a) Advance's from Customers	118.11	48.26
(b) Statutory Liabilities	8.60	3.67
(c) Others Current Liability #	183.48	182.24
Total Current (B)	310.19	234.17
Total (A +B)	310.19	234.17

Other Current Liability includes provision for allowances for doubtful debts

18 Current Tax Liabilities (Net)

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Current Taxation	137.11	204.33
Total	137.11	204.33

19 Revenue from Operations

(INR in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Sale of Products		
- Domestic Sales	4,839.41	5,048.07
- Export Sales	952.97	1,812.08
Total	5,792.38	6,860.15

20 Other Income

(INR in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
a) Interest Income Interest income earned on financial asset that are not designated as fair value through profit and loss:	-	-
i) Interest Income	8.84	5.75
b) Other Non operating income (net of expenses directly attributable to such income)	72.75	82.27
i) Non operating income	-	-
ii) Discount Income	-	-
iii) Other gains and losses		
- Net Gain/(loss) arising on financial asset designated as at FVTPL	-	-
- Net gain/loss on sale of investments	-	-
Total	81.59	88.02

(INR in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Interest income comprises:		
Interest from Banks on deposits	8.84	5.75
Total - Interest income	8.84	5.75

(INR in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Other non-operating income comprises:		
Duty Drawback / Advance License /MEIS License	14.95	46.55
Profit On Sales Of Asset	2.25	-
Insurance Claim Received	-	0.74
Prior Period Income	2.25	-
Miscellaneous Income	10.16	7.73
Exchange rate difference	43.14	27.25
Total - Other non-operating income	72.75	82.27

21 Cost of Material Consumed

(INR in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening Stock	185.49	215.76
Add: Purchases	1,449.87	1,871.26
	1,635.36	2,087.02
Less: Sale of Raw Material	-	-
Less: Closing Stock	309.02	185.49
Raw Material Consumed - (A)	1,326.34	1,901.53
Packing Material Consumed - (B)	812.85	989.44
Consumable Store and Spares - (C)	44.17	57.44
Total (A + B + C)	2,183.36	2,948.41

(INR in Lakhs)

Particulars	Amount	%	Amount ₹	%
Imported (incl Customs Duty)	-	-	29.93	1.02
Indigenous	2,183.36	100.00	2,948.41	98.98
Total	2,183.36	100.00	2,948.41	100.00

22 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(INR in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Inventories at the end of the year: (At Cost or Net Realisable Value which ever is lower)		
Finished Goods	173.48	181.93
Traded Goods	61.18	30.72
Work In Progress	234.66	212.66
Inventories at the beginning of the year: (At Cost or Net Realisable Value which ever is lower)		
Finished Goods	181.93	203.21
Traded Goods	30.72	25.33
Work In Progress	212.66	228.54
Total	(22.00)	15.88

23 Employee benefits expense

(INR in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Salaries, Wages and Bonus & other allowances	1,151.97	908.44
Contributions to Provident Fund and Other Funds	54.77	50.14
Gratuity Expenses	13.91	5.93
Staff Welfare Expenses	16.65	15.45
Total	1,237.30	979.96

24 Finance costs

(INR in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Interest expense on:		
(i) Borrowings	9.64	25.40
(ii) Bank charges & Others	27.66	38.75
(iii) Finance Charges ROU	7.34	-
Total	44.64	64.15

25 Other Expenses

(INR in Lakhs)

Particulars		Year ended 31.03.2022		Year ended 31.03.2021
Power and Fuel		115.21		158.90
Analytical & Testing Expense		17.43		13.08
Laboratory Expenses		17.19		18.20
Calibration Charges		2.18		3.44
Manufacturing Processing cost		10.54		20.60
Repairs & Maintenance:		103.05		97.40
Building	22.17		40.52	
Plant & Machinery	53.17		31.97	
Others	27.71		24.91	
Research & Development Expense		2.41		0.26
Directors sitting fees		1.82		1.88
Printing & Stationary Expense		41.12		12.03
Rent, Rates and Taxes		9.72		55.24
Inspection Fees		7.00		20.82
Insurance		10.19		9.14
Legal and Professional Fees		68.22		93.13
Security charges		11.96		11.98
Prior Period Expense		22.68		50.61
Bad & Doubtful debt		0.18		79.21
Payments to Auditors		2.50		2.00
Travelling Expense		386.75		354.42
Commission & Brokerage		130.22		113.16
Computer Maintenance Exp.		8.73		9.95
Donation		-		12.50
Motor Car & Scooter Exp		12.46		11.57
Postage & Courier		5.36		4.01
Telephone Exp		2.95		3.77
Wastage & Disposable Expense		3.50		-
Fumigations Charges		1.03		1.79
Duties & Taxes		57.71		32.10
Bad Debts Written Off		1.37		104.61
Other Expense		9.50		9.98
Selling Exp		102.46		164.60
Packing & Forwarding Exp		178.25		211.63
Loss On Expiry, Spoilage & Breakage		121.87		122.20
Demurrage Charges		2.31		-
CSR Activity		9.81		-
Total		1,477.68		1,804.21

26 C.I. F. VALUE OF IMPORTS :-

(INR in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Raw Materials	-	29.93
Total	-	29.93

27 EXPENDITURE IN FOREIGN CURRENCY :-

(INR in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Foreign Travel	5.95	0.25
Total	5.95	0.25

- 28 Sundry Creditors and Sundry Debtors are as per books and have not been corroborated by circulation confirmation of balances / reconciliation of accounts. Confirmations of parties concerned, for the amount receivable / due to them as per accounts of the company, are under process of reconciliation and adjustments required, if any, will be made as and when the accounts are settled.
- 29 In the opinion of the Board, the Current Assets, Loans and Advances which are considered good are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business. Further, in the opinion of the Board, provision of all known liabilities has been adequately made in the accounts and as per management experience and estimates no additional provision is required for guarantees and warranties, liquidated damages etc.
- 30 Company has used the borrowing from Bank for the specific purpose for which it was taken at Balance sheet date

31 CONTINGENT LIABILITIES AND COMMITMENTS :-

(INR in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Contingent Liabilities		
Claims against the Company not acknowledged as debt Guarantees (Bank Guarantee)**	47.98	68.82
The Honourable Supreme Court, has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present, Amount not determinable. Moreover a review petition is also filed before the Hon'ble Supreme Court; the outcome is yet to be received.	-	-
Total	47.98	68.82
Commitments		
Estimated amounts of contracts remaining to be executed on capital account and not provided for	-	-
Uncalled liability on shares or investments partly paid	-	-
Other Commitments	-	-
Total	-	-

Legal Case filed against company by its creditors INR Nil

Guarantees:

"Bank Guarantees outstanding as on 31st March, 2022, amounted to INR 47.98 Lacs /- (P.Y. INR 68.82 Lacs) against which the company has kept the Margin Money Deposits worth INR 60.96 Lacs (P.Y. INR 59.73 Lacs).
 **An amount of INR 35.70 Lacs is debited by State bank of India on 18th May, 2019. The amount is debited in pursuant to an order of Debt Recovery Tribunal –II, Ahmedabad dated 06.05.2019. The order was to restrict any withdrawals from our account on basis of a Bank Guarantee given by the company, but since the day to day operations would have been hampered due to non withdrawal from the accounts, the amount was paid from the bank account of the company. The company has now filed a stay application in the Honourable Gujarat High court against the order, and the amount is treated as a contingent liability."

32 EARNINGS IN FOREIGN CURRENCY

(INR in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Country wise Breakup of Export Goods (in Rs.)	952.97	1,812.08
Country		
Africa	218.61	837.78
Asia	485.52	507.07
America	169.52	321.90
United Kingdom	79.31	145.33

33 Segment Reporting

With respect to Ind AS- 108 "Operating Segments, the Management of the Company is of the view that the products offered by the Company are in the nature of Pharmaceuticals and its related products, having the same risks and returns, same type and class of customers and regulatory environment. Hence, the business of production and sale of pharmaceuticals and its related products belong to one business segment only.

34 FINANCIAL INSTRUMENT

- All foreign currency denominated assets and liabilities are translated using exchange rate at the reporting date.
- The fair value of the investment in Unquoted Equity Shares of BDC are measured at cost.

Credit Risk

Trade receivables Customer Credit Risk is managed by business unit subject to Company's established policy and procedures. Trade receivables are non-interest bearing and generally have a credit period not exceeding 90 days. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The company has no concentration of credit risk as the customer base is widely distributed both economically and geographically. An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purpose of this analysis, the receivables are categorized into group based on types of receivables. Each group is then assessed for impairment using the Expect Credit Loss (ECL) model as per the provisions of Ind AS 109 - Financial instruments. The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Receivables from group companies and secured receivable are excluded for the purposes of this analysis since no credit risk is perceived on them. The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the company's view of economic conditions over the expected lives of the receivables.

Foreign Currency Risk

Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (When revenue or expenses denominated in a foreign currency).

35 Particulars Of Unhedged Foreign Currency Exposure :-

(INR in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Sundry Debtors	822.24	1,022.47
Total	822.24	1,022.47

Liquidity Risk :

Liquidity Risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly close to its fair value. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing at an optimised cost.

36 DIRECTORS' REMUNERATION

Directors' remuneration paid during the year is in accordance with the approval of the Central Government sanctioned to the Company under Section 197(3) of the Companies Act, 2013 for giving the Remuneration above the limits prescribed by Section 197 read with Section I of Part-II of Schedule V of the Companies Act, 2013. The amounts paid includes the following

(INR in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Remuneration	12.65	11.50
Perquisites	6.56	6.05

37 AUDITORS' REMUNERATION

(INR in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
As Auditors	2.50	2.00
Total	2.50	2.00

38 EMPLOYMENT BENEFITS :-

- i. Provident Fund and ESI paid during the year being defined contribution have been charged to Profit and Loss Account In case of earned leave which is encashable, provision is made based on such leave standing to the credit of employees as at year end
- ii. The Company has a defined benefit gratuity plan. Every employee who has completed five or more years of service is eligible for gratuity @ 15 days salary (last drawn) for every completed year of service with a overall ceiling of 20 lakhs. The Company has taken a Group Gratuity cum Life Insurance Policy from Life Insurance Corporation of India (a qualifying policy) and makes annual contributions to the same to create a fund to meet this defined benefit gratuity obligation.

39 COVID-19 Impact

Due to partial lockdown/curfew in Gujarat, Maharashtra and other parts of India, our number of associates who were supplying packing materials, print materials, raw materials were partially open. However, we had tried our level best to get the things from time to time by providing man power, transportation to them.

Due to curfew in the evening and night, most of the consulting room and retail pharmacy were shut down. This affected our sales, liquidity, collection, revenue and profitability substantially and our company had financial hit.

40 RELATED PARTY TRANSACTIONS :-

The Company has identified all the related parties having transactions during the year in line with Accounting Standard 18. Details of the same are as under

(a) List of Related Parties

Name of Related Parties	Nature of Relationship
R .R. Shah	Managing Director
D. R. Shah	Director
Paresh Mistry	Director
Janki R Shah	Director
Mercury Antibiotics Private Ltd.	An enterprise Managed by Relative of Directors
JAS Healthcare Inc.	An enterprise in which Director & his Relative is Director
Bio- Med India	A Concern in which Directors are Partner
Mercury Marketing & Consulting Services	A Concern in which Relative of Directors are Partner
Mercury Pharma Distributors	A Concern in which Directors and their Relatives are Partner
Rukshmaniben Charitable Trust	A Concern in which Directors and Relatives are Trustee
Shri Ramanbhai Bapulal Shah Education and Charitable Trust	A Concern in which Directors and Relatives are Trustee
Dr. Shrutiben Dilipbhai Shah Education and Charitable Trust	A Concern in which Directors and Relatives are Trustee
Divyakant Zaveri	Independent Director
Poornima D Karvat	Independent Director
Bharat Mehta	Independent Director
Dilip R. Shah (H.U.F.)	Relatives of Director
Kaumudiniben R. Shah	Relatives of Director
Kishoriben D. Shah	Relatives of Director
R.R. Shah(H.U.F.)	Relatives of Director
Adit D. Shah	Relatives of Director
Paresh R Shah	Relatives of Director
Bimal R Shah	Relatives of Director
Parulben Kiranbhai Laliwala	Relatives of Director
Saurabh Mittal	Relatives of Director
Enu Khandelwal	Chief Financial Officer(till 22.06.2021)
Kinjal Khandelwal	Company Secretary(till 31.01.2022)
Ashish Vasavada	Chief Financial Officer(w.e.f 21.10.2021)
Krishna Shah	Company Secretary(w.e.f 31.01.2022)

(b) Transactions with Related Parties

(INR in Lakhs)

Name of Related Party	Nature of Transaction	Year ended 31.03.2022	Year ended 31.03.2021
R.R. Shah	Remuneration	12.65	11.50
	Perquisites	6.56	6.05
	Deposit Received	-	-
	Deposit Paid	-	-
	Interest on Deposit	-	-
	Dividend Paid	1.71	3.00
D.R. Shah	Director Fees	0.27	0.23
	Deposit Received	-	-
	Deposit Paid	-	-
	Interest on Deposit	-	-
	Dividend Paid	1.70	2.97
Paresh Mistry	Salary	11.64	9.96
	Director Fees	0.35	0.37
Janki R shah	Director Fees	0.27	0.29
	Loan Received	-	30.00
	Deposit renewed	13.88	-
	Deposit Paid	-	30.00
	Interest on Deposit	1.11	3.38
	Repayment of Loan	5.00	-
	Interest on Loan	2.03	1.60
	Dividend Paid	2.08	3.64
Divyakant Zaveri	Director Fees	0.47	0.44
	Professional Fees	2.50	2.50
Poornima D Karval	Director Fees	-	0.12
Bharat Mehta	Director Fees	0.47	0.44
Mercury Antibiotics Private Ltd.	Lease Rent	42.00	51.00
Mercury Pharma Distributors	Lease Rent	0.24	0.24
JAS Healthcare Inc.	Sales	178.01	312.93
JAS Healthcare Inc.	Advance Recd.Agst Sales	69.12	9.85
Mercury Marketing & Consulting Services	Consultancy Services	30.00	30.00
Shri Ramanbhai Bapulal Shah Education and Charitable Trust	CSR Contribution	0.60	5.00
Dr. Shrutiben Dilipbhai Shah Education and Charitable Trust	CSR Contribution	1.20	7.50
Kaumudiniben R. Shah	Interest on Deposit	4.00	3.99
	Deposit renewed	50.00	-
	Dividend Paid	0.42	0.74
R.R. Shah(H.U.F)	Interest on Deposit	3.40	3.36
	Deposit renewed	42.50	-
	Deposit Paid	-	7.50
	Dividend Paid	4.18	7.32
D.R. Shah(H.U.F)	Interest on Deposit	8.00	8.00
	Deposit renewed	100.00	-
	Dividend Paid	6.21	10.87
Adit D. Shah	Interest on Deposit	0.86	1.52
	Deposit renewed	10.70	-
	Deposit Paid	-	30.00
	Dividend Paid	0.31	0.54
Paresh R Shah	Dividend Paid	0.47	0.83
Bimal R shah	Dividend Paid	0.28	0.49
Parulben Kiranbhai Laliwala	Dividend Paid	0.24	0.41
Kishoriben D Shah	Dividend Paid	0.07	0.12
Enu Khandelwal	Salary	1.35	4.46
Kinjal Khandelwal	Salary	2.37	2.14
Saurabh Mittal	Salary	17.29	14.64
Ashish Vasavada	Salary	6.47	-
Krishna Shah	Salary	0.38	-

(c) Balance with related parties

(INR in Lakhs)

Name of Related Party	Nature of Transaction	As at 31.03.2022	As at 31.03.2021
Mercury Antibiotics Private Ltd.	Lease Rent	23.96	63.10
JAS Healthcare Inc.	Advance Recd. Agst Sales	69.12	9.85
Bio- Med India	Sales	-	-
Mercury Pharma Distributors	Lease Rent	0.26	0.50
Mercury Marketing & Consulting Services	Consultancy Services	13.60	30.15
Kaumudiniben R. Shah	Fixed Deposit (Incl. Interest Payable)	50.89	50.91
R.R. Shah(H.U.F)	Fixed Deposit (Incl. Interest Payable)	43.25	43.38
D.R. Shah(H.U.F)	Fixed Deposit (Incl. Interest Payable)	101.78	101.82
Adit D. Shah	Fixed Deposit (Incl. Interest Payable)	10.89	10.90
Janki R shah	Fixed Deposit (Incl. Interest Payable)	14.12	14.13
Janki R shah-DIRECTOR	Loan from Director (Incl. Interest Payable)	25.44	30.55
Saurabh Mittal	Salary Payable (net)	0.48	1.10
Ashish Vasavada	Salary Payable (net)	0.65	-
Krishna Shah	Salary Payable (net)	0.21	-
R R Shah	Remuneration Payable	0.88	0.88
Paresh Mistry	Salary Payable (net)	0.55	0.79
Divyakant Zaveri	Professional Fees Payable	0.56	-
Divyakant Zaveri	Professional Fees Payable	0.56	-

41 Earnings Per Share

In line with Accounting Standard 20 the Earnings Per Share details are given below

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
Profit After Taxation	(INR in Lakhs)	368.62	533.75
Weighted Average Number of Equity Shares	Nos.	1,200,000	1,200,000
Nominal Value of Shares	(INR in Lakhs)	120.00	120.00
Earnings Per Share	INR	30.72	44.48

42 Impairment of Assets :-

As a tool to measure to the value of fixed assets, the Company has considered the technical Valuation carried out by expert. In terms of the same and further in absence of any indications, external or internal, as to any probable impairment of assets, no provision has been made for same during year under report.

43 Dues to Micro & Small Enterprises

(INR in Lakhs)

Dues to Micro and Small Enterprises	As at 31.03.2022	As at 31.03.2021
a) The principal amount remaining unpaid to any supplier at the end of the year	55.24	142.63
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of the deductible expenditure under section 23 of the MSMED Act, 2006	-	-

44 There are no amounts pending to be transferred to the Investors Education and Protection Fund as at the end of the year.

45 Additional Regulatory Information

45.1 The Company does not have any Immovable Property whose title deeds are not held in the name of the Company.

45.2 Company does not have Capital - Work -in Progress or intangible assets under development as at 31st March 22 and at 31st March 21

45.3 The Company does not have any became property held in its name. No proceedings have been initiated on or are pending against the Company for holding became property under the Benjamin Transactions (Prohibition) \ Act, 1988 (45 of 1988) and Rules made thereunder.

45.4 The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

45.5 The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year

45.6 The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period

45.7 Company does not have any downstream investment .

45.8 Quarterly statement of current assets submitted by company with Banks are in agreement with books of accounts.

45.9 Key Financial Ratios

Ratio	Numerator	Denominator	As at 31.03.2022	As at 31.03.2021	% Variance	Explanation for Variance
(a) Current ratio	Total Current Assets	Total Current Liabilities	2.64	2.01	31.64	Reduction in Trade payable liability coupled with increase in Inventory level.
(b) Debt-equity ratio	Short Term Borrowing + Long Term Borrowing	Total Equity	0.13	0.17	(24.64)	-
(c) Debt service coverage ratio	Profit Before Interest and Tax	Total Debt Service (Interest + Finance Lease Payment + Principal Repayment)	1.04	1.15	(9.77)	-
(d) Return on equity ratio	Net Profit after Tax	Total Equity	0.11	0.18	(38.94)	Reduction in Revenue has resulted in decrease in net profit.
(e) Inventory turnover ratio	Net Sales	Average Inventory	9.70	12.86	(24.56)	-
(f) Trade receivables turnover ratio	Net Sales	Average Trade Receivables	2.89	3.37	(14.30)	-
(g) Trade payables turnover ratio	Net Purchases	Average Trade Payable	2.71	3.05	(11.04)	-
(h) Net Working capital turnover ratio	Net Sales	Working Capital	2.59	3.62	(28.46)	Reduction in Turnover coupled with increase in Working capital
(i) Net profit ratio	Net Profit	Sales	0.08	0.08	(18.21)	-
(j) Return on capital employed	Earning Before Interest and Tax	Capital Employed	0.12	0.16	(36.57)	Reduction in revenue has resulted in decline in Profit
(k) Return on Investment	Profit After Tax	Total Assets	0.06	0.08	(28.59)	Reduction in revenue has resulted in decline in profit

45.10 Utilisation of borrowed funds and share premium

I The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

"(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries"

- ii The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

"(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries"

- 45.11** There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

45.12 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

- A. Gross amount required to be spent by the Company during the year 2021-22 : INR 9.76 Lakhs /- (2020-21 INR NIL)
- B. Amount spent during the year on INR 9.81 Lakhs
- C. There is no unspent amount at the end of the year
- D. The company was not covered under section 135 in previous F Y 2020-21
- E. Nature of CSR activities

(INR in Lakhs)

Name of the Project	Item from the list of activities in schedule VII to the Act.	Amount spent for the project
Free Distribution of Sanitizers (Including Administrative Overheads of INR 0.25 Lakhs)	Item I Promoting Healthcare	2.61
Donation Endoscopy Machine to Kashiben Gordhandas Patel Children hospital	Item I Promoting Healthcare	4.87
Donation of Medical Books to library of school of Nursing of Muni Seva Ashram	Item II Promoting Education	0.83
Donation to Shri Ramanbhai Bapulal Shah Education & Charitable Trust For distribution of scholarship to the students	Item II Promoting Education	0.30
Donation to Shri Shrutiben Dilipbhai Shah Education & Charitable Trust For distribution of scholarship to Medical student	Item II Promoting Education	1.20
Total		9.81

F. Related party transactions in relation to Corporate Social Responsibility

(INR in Lakhs)

Name of Related Party	Nature of Transaction	Amount	Nature of Relationship
Donation to Shri Ramanbhai Bapulal Shah Education & Charitable Trust For distribution of scholarship to the students	Item II Promoting Education	0.30	A Concern in which Directors and Relatives are Trustee
Donation to Shri Shrutiben Dilipbhai Shah Education & Charitable Trust For distribution of scholarship to Medical student	Item II Promoting Education	1.20	A Concern in which Directors and Relatives are Trustee

45. 13 The Company has not traded or invested in crypto currency or virtual currency during the year

46 The figures in respect of previous year have been re-grouped / recast wherever necessary to confirm to the current year's classification.

For R. J. Shah & Associates
Chartered Accountants
F.R.N.109752W

For and behalf of the Board
Mercury Laboratories Ltd .

Nayan R. Dholakia
Partner
M.No.037350
Place : Vadodara
Date: 26-05-2022
UDIN : 22037350AJRBHJ7719

Rajendra R. Shah
Managing Director
DIN : 00257253
Place : Vadodara

Ashish Vasavada
Chief Financial Officer
Place : Vadodara

Dilip R Shah
Director
DIN : 00257242
Place : USA

Krishna Shah
Company Secretary
Place : Vadodara

Date: 26-05-2022



NOTES
