



## MERCURY LABORATORIES LIMITED

Date: 04/09/2019

To,  
BSE Limited,  
Corporate Relationship Department  
25<sup>th</sup> Floor, Phirozee Jeejeebhoy Towers,  
Dalal Street, Mumbai-400001

Dear Sir/Madam,

**Subject: Submission of Annual Report 2018 – 2019 pursuant to Regulation 34 and all other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 - Scrip Code: 538964**

Pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended from time to time, we are submitting herewith Annual Report of the Company for the Financial year ended March 31, 2019 (2018-19) comprising of *inter alia*, Notice, Directors' Report, Auditors' Report, Audited Standalone Financial Statements, Cash Flow Statements, etc. Further 38<sup>th</sup> Annual General Meeting of the Shareholders of the Company will be held on Saturday, September 28, 2019 at 11:30 a.m at the Electric Merchants Association Hall, Shreeji bhuvan Room No 12, 2<sup>nd</sup> Floor, 51, Mangaldas Road, Lohar Chawl Mumbai -400002.

Kindly take the above information on your record.

Thanking you,

Yours faithfully,

For Mercury Laboratories Limited

*Kinjal*  
Kinjal Khandelwal  
Company Secretary



Encl.: As above

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

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

**Regd. Office :**  
1<sup>st</sup> Floor 18, Shreeji Bhuvan, 51, Mangaldas Road,  
Princess Street, Mumbai - 400 002. Ph. : 022 6637284,  
Fax : 022 2201 5441. E-mail : hgshah@mercurylabs.com



**MERCURY**

Health Care Since 1962

38<sup>TH</sup> Annual Report 2018-2019



**MERCURY LABORATORIES LIMITED**

WHERE YOUR WELL - BEING MATTERS

An ISO 9002 Company

**BOARD OF DIRECTORS**

Rajendra R. Shah	:	Chairman & Managing Director
Dilip R. Shah	:	Director
Divyakant R. Zaveri	:	Independent Director
Poornima Dharendra Karvat	:	Independent Director
Bharat Dhirajlal Mehta	:	Independent Director
Mr. Paresh Mistry	:	Director (w.e.f. 01-10-2017)

**KEY MANAGERIAL PERSONNEL**

Payal Doshi	:	Chief Financial Officer
Mukesh Khanna	:	Company Secretary

**BANKERS** : State Bank of India

**STATUTORY AUDITORS** : R. J. Shah & Associates  
Chartered Accountants  
D-408, 5<sup>th</sup> Floor, Aviskar Complex,  
Old Padra Road, Vadodara - 390 015.

**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.

**CORPORATE IDENTIFICATION NO.:** L74239MH1982PLC026341

**WEBSITE** : www.mercurylabs.com

**E-MAIL :** secretarial@mercurylabs.com / mllbrd@mercurylabs.com

**HEAD OFFICE & UNITS****UNIT No. 1**

2/13-14, Gorwa Industrial Estate,  
Gorwa Road, Vadodara - 390 016  
Telephone : 2280180, 2280181  
P. Box No. : 3001  
Telegram : ERGACAP  
E-mail : mllbrd@mercurylabs.com

**UNIT No. 2**

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

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**NOTICE**

NOTICE is hereby given that the 38<sup>th</sup> Annual General Meeting of the Members of **M/s. Mercury Laboratories Limited** will be held on Saturday, September 28, 2019 at 11:30 a.m. at the Electric Merchants' Association Hall, Shreeji Bhuvan, Room No. 12, 2nd Floor, 51, Mangaldas Road, Lohar Chawl, Mumbai – 400 002 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, 2019 together with the reports of the Board of Directors and Auditors thereon
2. To declare dividend on equity shares
3. To appoint a director in place of Mr. Paresh Jagdishbhai Mistry (DIN- 07893654) who retires by rotation, being eligible, offers himself for re-appointment.

**Special Businesses:**

4. **Re-appointment of Mr. Divyakant Ramniklal Zaveri (DIN: 01382184) as an Independent Non-Executive 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 provisions of Section 149,152 read with Schedule IV and other applicable provisions, if any of the Companies Act 2013 ('the Act'), and the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 17(1a) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee, Mr. Divyakant Ramniklal Zaveri (DIN 01382184) who was appointed as an Independent Non-Executive Director and who holds office of Independent Non-Executive Director up to the conclusion of this Annual General Meeting and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with listing regulations, as amended from time to time, and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years till conclusion of Annual General Meeting for the financial year 2023-24 as well as to continue to hold the position of Independent Non Executive Director beyond the age of Seventy Five (75) years.

**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 or expedient to give effect to the resolutions.”

5. **Re-appointment of Mr. Bharat Dhirajlal Mehta (DIN: 07180906) as an Independent Non-Executive 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 provisions of section 149,152 read with Schedule IV and other applicable provisions, if any of the Companies Act 2013 ('the Act'), and the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to Regulation 17(1a) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee, Mr. Bharat Dhirajlal Mehta (DIN 07180906) who was appointed as an Independent Non-Executive Director and who holds office of Independent Non-Executive Director up to the conclusion of this Annual General Meeting and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with listing regulations, as amended from time to time, and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years till conclusion of Annual General Meeting for the financial year 2023-24.

**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 or expedient to give effect to the resolution.”

#### 6. Payment of Managerial Remuneration under Section 197 of the Companies Act, 2013

**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 second proviso to Sub-Section (1) of Section 197 of the Companies Act, 2013 (“the Act”) as amended vide Companies (Amendment) Act, 2017 effective from September 12, 2018 and all other applicable provisions, if any, of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Members be and is hereby accorded for payment of managerial remuneration for the Financial Year 2019-20 and all subsequent Financial Years, in excess of the limits prescribed under the second proviso to Sub-Section (1) of Section 197 of the Act as under:

- (a) exceeding five per cent (5%) of net profits of the Company calculated in accordance with Section 198 of the Act (“Net Profits”) to any one Managing Director or Whole Time Director or Manager;
- (b) where there is more than one Managing Director or Whole Time Director, exceeding ten per cent (10%) of the Net Profits of the Company to all such Directors and Manager; and
- (c) exceeding one percent (1%) of Net Profits of the Company to all Directors who are neither Managing Director nor Whole Time Director of the Company

**RESOLVED FURTHER THAT** the total managerial remuneration payable by the Company to its Directors, including Managing Director and Whole-time Director, in respect of any Financial Year shall not exceed eleven per cent (11%) of the net profits of the Company for that Financial Year computed in the manner laid down in Section 198 of the Act except as may be authorized by the Company in general meeting, subject to the provisions of Schedule V to the Act.

**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.”

#### 7. 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 Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Non- Executive Directors of the Company (i.e. Directors other than Managing Director(s) and/or the Whole-time Director), be paid remuneration in addition to the sitting fees and re-imbursment of expenses for attending the meetings of the Board of Directors or Committees thereof, every year for a period of five (5) years with effect from April 1, 2019, as the Board of Directors may from time to time determine, on the net profits of the Company for each Financial Year, computed in the manner laid down in Section 198 of the Companies Act, 2013, in accordance with the provisions of the Act and/or approval of Members, to be divided amongst them in such manner as the Board may, from time to time, determine.

**“RESOLVED FURTHER 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 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 who is the only Non Executive Director to whom the Company is paying remuneration for holding position of works manager 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.”

#### 8. Approval for proposed remuneration to Mr. Rajendra R Shah, Managing Director & Promoter 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 newly prescribed provisions of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations, 2015”) and other applicable regulations, and subject to the maximum remuneration approved by the members at the Annual General Meeting held on September 29, 2017 approval of the members of the Company be and is hereby accorded for payment of remuneration to Mr. Rajendra R Shah, Executive Chairman & Managing Director, Promoter of the Company as per the requirements of Regulation 17(6)(e) of the SEBI Listing Regulations, 2015, with effect from April 01, 2019 for the remaining tenure of his appointment i.e., upto March 31, 2020.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution.”

#### **9. Ratification of Remuneration payable to the Cost Auditor for Financial Year 2019-2020**

**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, 2020 amounting to INR 43,000 (Rupees Forty Three Thousand Only) plus applicable taxes be and is hereby ratified and approved.

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

**Date: May 29, 2019**  
**Place: Vadodara**

**By order of Board of Directors**

**Mukesh Khanna**  
**Company Secretary**

#### **Notes**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY DULY COMPLETED MUST BE RETURNED TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT TIME FOR HOLDING THE AFORESAID MEETING.

Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

- (b) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution or upload it on e-voting portal, authorizing their representative to attend and vote on their behalf at the meeting.
- (c) Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, name of companies in which they hold directorship and memberships / chairmanships of Board Committee, shareholding and relationship between directors inter-se stipulated under SEBI ((Listing Obligations and Disclosure Requirements) Regulation, 2015 are provided in Annual Report.
- (d) The relative explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”) setting out material facts with respect to the special businesses under Item Nos. 5 to 9 of the notice is annexed hereto.
- (e) Members are requested to:
1. Bring their copy of Annual Report and Attendance Slip with them at the Annual General Meeting.
  2. Quote their regd. Folio Number/DP and Client ID Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent.
  3. **Encash the dividend warrants on their receipt as dividend remaining unclaimed for seven years are now required to be transferred to the 'Investors Education and Protection Fund' established by the Central Government Under the provisions of the Companies Act 2013.**

Pursuant to Section 125 of the Companies Act, 2013, all unclaimed dividend declared and paid up to financial year 2010 – 11 have been transferred by the Company to the Investor Education and Protection Fund. Members who have not encashed their dividend warrants for subsequent period are requested to en-cash the same immediately. Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act and the applicable rules.

- (f) In case of Joint Holders attending the Meeting, only such joint holders who is higher in the order of names will be entitled to vote.
- (g) Annual Report and AGM Notice is available at the website of the Company at [www.mercurylabs.com](http://www.mercurylabs.com) in the investor relation section, for download.
- (h) The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2019 to September 28, 2019 (both days inclusive) for the purpose of Annual General Meeting and payment of the final dividend for the financial year ended on March 31, 2019.
- (i) 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  
Email Id : [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in) Website: [www.linkintime.co.in](http://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 49186000, Fax : +91 22 49186060.

- (j) Relevant Documents referred to in the accompanying Notice and Statement are open for inspection by the members at the Corporate Office of the Company on all working days, except Sunday during the business hours up to date of the meeting.
- (k) Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company / Depositories unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent in the permitted mode.
- (l) Members seeking further information on the Accounts or any other matter contained in the notice are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.
- (m) The Ministry of Corporate Affairs (MCA) on May 10, 2012 notified the IEPF (Uploading Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules) which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of unclaimed amounts. In terms of the said IEPF Rules, the Company has uploaded the information of the unclaimed dividend in respect of the Final Dividend for the financial year from 2011 – 12 till dividend for the financial year 2017 – 18, on the website of the Company viz. [www.mercurylabs.com](http://www.mercurylabs.com).
- (n) Subject to provisions of the Act, dividend as recommended by the Board, if declared at the meeting, will be paid within 30 days from the date of declaration to those members whose names appear on the Register of Members as on September 21, 2019.
- (o) Members whose shareholding is in electronic mode are requested to direct change of address notification and updates of Bank Accounts details to their respective depository participant(s). We urge the members to utilize the Electronic Clearing System (ECS) for receiving dividends.
- (p) **We urge members to support our commitment to environmental protection by choosing to receive their communication through email.** You can do this by updating your email addresses with your depository participants.
- (q) Electronic copy of the notice of the 38<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner e-voting along with attendance slip, proxy form and ballot forms is being sent to all the members whose email ID are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the notice of the 38<sup>th</sup> Annual General Meeting of the company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Ballot Form is being sent in the permitted mode.

**(r) Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 the Company is pleased to provide members facility to exercise their right to vote at the 38<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

**The instructions for members opting to vote electronically are as under:**

- i. The voting period begins on September 25, 2019 (9:00 a.m.) and ends on September 27, 2019 (5:00 p.m.) During this period shareholders of the Company, holding shares in physical form or in dematerialized form, as on the cut-off date September 21, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- iii. Click on "Shareholders" tab
- iv. Now enter your user ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number Registered with the Company
- v. Next Enter the Image Verification Code as displayed and click on Login
- vi. If you are holding shares in Demat Form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Formi.

<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
<b>Dividend Bank details# OR Date of Birth DOB#</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. - If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in the Notice.
- xi. Click on the relevant EVSN of Mercury Laboratories Limited on which you choose to vote.



- xii. On the voting page, you will see RESOLUTION DESCRIPTION and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies you dissent to the Resolution.
- xiii. Click on the RESOLUTIONS FILE LINK if you wish to view the entire Resolution.
- xiv. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on click here to print" option on the Voting Page.
- xvii. If Demat Account holder has forgotten the changed password, then enter the user ID and image verification code and click on forgot password & enter the details as prompted by the system.
- xviii. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix. Note for Non-Individual Shareholders and Custodians
  - a. Non Individual Shareholders other than Individuals, HUF, NRI etc. and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate and Custodians.
  - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - d. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e. They should upload a scanned copy of the Board Resolution / Authority Letter etc. in PDF Format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

## II. Voting at AGM:

The Members who have not casted their vote either electronically can exercise their voting rights at the Annual General Meeting venue and the member who have not cast their vote by remote e-voting can exercise their right during the meeting on September 28, 2019 at Annual General Meeting.

If a member casts vote in AGM is found to have exercised their voting options electronically or ballot forms or both, voting at the AGM will be treated as invalid.

### OTHER INSTRUCTIONS

- III. Once the vote on a resolution is cast by the shareholders, the shareholder shall not be allowed to change it subsequently.
- IV. Mitesh Rana of Mitesh Rana & Co., Company Secretaries (Membership No.: 28113) has been appointed as the scrutinizer to scrutinize voting process (electronically or otherwise) in fair and transparent manner.
- V. The scrutinizer shall from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in employment of the Company and make a scrutinizer's Report of the votes cast in favour or against, if any, & forthwith to the Chairman/Managing Director of the Company or any other person authorized in this regards.

- VI. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on website of the Company and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

**Date: May 29, 2019**  
**Place: Vadodara**

**By order of Board of Directors**

**Mukesh Khanna**  
**Company Secretary**

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**Contact Details**

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<b>Company Name</b>	:	Mercury Laboratories Limited.
<b>Regd. Office</b>	:	18, Shreeji Bhuvan, 51, Mangaldas Road, Princess Street, Mumbai - 400 002. Telephone : 022-66372841. E-mail : mlbrd@mercurylabs.com, Website : www.mercurylabs.com
<b>Corporate Office</b>	:	2/13-14, Gorwa Industrial Estate, Gorwa Road, Vadodara - 390 016. E-mail : secretarial@mercurylabs.com
<b>Registrar &amp; Transfer Agent</b>	:	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
<b>e-Voting Agency</b>	:	Central Depository Services (India) Limited E-mail ID : helpdesk.evoting@cdslindia.com
<b>Scrutinizer</b>	:	Mitesh Rana & Co., Company Secretaries E-mail ID : csmiteshrana@gmail.com Phone : 09737461233

**IMPORTANT COMMUNICATION TO MEMBERS**

Pursuant to Section 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Annual Report of the Company has been sent through email to those members whose email ID is registered with the Company / Depository. In case any member wants a physical copy of the Annual Report he/she may write to the Company / RTA.

MEMBERS WHO HAVE NOT YET REGISTERED THEIR EMAIL ADDRESS ARE REQUESTED TO REGISTER THEIR ADDRESS EITHER WITH THE DEPOSITORIES OR WITH THE COMPANY.

**ANNEXURE TO NOTICE****I. EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****ITEM NO. 4**

Mr. Divyakant R Zaveri (DIN: 01382184) is an Independent Non Executive Director of the Company. He is also Chairman of Audit Committee and member of Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of Directors of the Company.

Pursuant to the requirement of Companies Act, 2013 ("the Act") and Clause 49 of erstwhile Listing Agreement, Mr. Divyakant R Zaveri was appointed as an Independent Director at the 33<sup>rd</sup> Annual General Meeting of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 38<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2019.

As per Section 149(10) of the Act, an Independent Director can hold office for a term up to 5 (Five) consecutive years on the Board of a Company and may be re-appointed for another term up to 5 (Five) consecutive years, with the approval of members of the Company by way of Special Resolution.

In the opinion of the Board of Directors of the Company, Mr. Divyakant R. Zaveri fulfills the conditions for appointment of Independent Director as specified in the Act and the rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) to be appointed as an Independent Director of the Company and is Independent of the Management. Mr. Divyakant R. Zaveri is Bachelor of Commerce and a Member of Institute of Chartered Accountants of India and is Chartered Accountant by profession, possesses intense, wide and varied experience in the field of Accounts, Finance, Taxation, Corporate Management for more than 3 decades. He is currently proprietor of M/s. Divyakant Zaveri & Co., the Chartered Accountant.

The Board of Directors at its meeting held on May 29, 2019 on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that given his background and experience and contributions made by him during his tenure, the association of Mr. Divyakant R. Zaveri would be beneficial to the Company and it is desirable to re-appoint Mr. Divyakant R. Zaveri as an Independent Director for another term of 5 (Five) consecutive year to hold office of Independent Director till conclusion of Annual General Meeting for the financial year 2023-24.

Further as per requirement of Regulation 17(1A) of the Listing Regulations, which are effective from April 01, 2019, a person who has attained the age of 75 years can continue the directorship in a Company with approval of members by way of Special Resolution. Since Mr. Divyakant R. Zaveri is approaching the age of 72 years and in order to continue his directorship upon his attaining the age of 75 years, during the second term of his appointment, the Board also recommends the continuation of directorship of Mr. Divyakant R Zaveri beyond the age of 75 years, for approval of members of the Company.

Copy of the draft letter of appointment of Mr. Divyakant R Zaveri setting out the terms and conditions of appointment are available for inspection by the members of the Company without any fees. The details of Mr. Divyakant R Zaveri as required under the provisions of Regulation 36(3) of the Listing Regulations and other applicable provisions are provided in Annexure II to this notice.

Mr. Divyakant R Zaveri doesn't hold by himself or for any other person on a beneficial basis, any shares in Company. He has given his consent to act as a director of the company, along with the declaration stating that he is not disqualified from being appointed as director of the company in the terms of section 164 of the Companies Act, 2013. Further he has submitted the declaration as required pursuant to section 149(7) of the act stating that he meets the criteria of independence as provided in subsection (6) of section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relative except Mr. Divyakant R. Zaveri, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of the Notice.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

**ITEM NO.5**

Mr. Bharat D. Mehta (DIN: 07180906) is an Independent Non Executive Director of the Company. He is also Chairman of Stakeholders Relationship Committee and member of Nomination and Remuneration Committee, Audit Committee and Corporate Social Responsibility Committee of Directors of the Company.

Pursuant to the requirement of Companies Act, 2013 ("the Act") and Clause 49 of erstwhile Listing Agreement, Mr. Bharat D. Mehta was appointed as an Independent Director of the Company whose terms of appointment is valid up to the conclusion of the 38<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2019.

As per Section 149(10) of the Act, an Independent Director can hold office for a term up to 5 (Five) consecutive years on the Board of a Company and may be re-appointed for another term up to 5 (Five) consecutive years, with the approval of members of the Company by way of Special Resolution.

In the opinion of the Board of Directors of the Company, Mr. Bharat D Mehta fulfills the conditions for appointment of Independent Director as specified in the Act and the rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) to be appointed as an Independent Director of the Company and is Independent of the Management. Mr. Bharat D Mehta is Bachelor of Commerce and Master of Social Work. He is also a Law Graduate and possesses wide and varied experience in the field of Accounts, Administration and Management.

The Board of Directors at its meeting held on May 29, 2019 on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that given his background and experience and contributions made by him during his tenure, the association of Mr. Bharat D Mehta would be beneficial to the Company and it is desirable to re-appoint Mr. Bharat D Mehta as an Independent Director for another term of 5 (Five) consecutive year to hold office of Independent Director till conclusion of Annual General Meeting for the financial year 2023-24.

Copy of the draft letter of appointment of Mr. Bharat D Mehta setting out the terms and conditions of appointment are available for inspection by the members of the Company without any fees. The details of Mr. Bharat D Mehta as required under the provisions of Regulation 36(3) of the Listing Regulations and other applicable provisions are provided in Annexure II to this notice.

Mr. Bharat D Mehta doesn't hold by himself or for any other person on a beneficial basis, any shares in Company. He has given his consent to act as a director of the company, along with the declaration stating that he is not disqualified from being appointed as director of the company in the terms of section 164 of the Companies Act, 2013. Further he has submitted the declaration as required pursuant to section 149(7) of the act stating that he meets the criteria of independence as provided in subsection (6) of section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relative except Mr. Bharat D Mehta, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the Notice.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

#### **ITEM NO.06**

As per the provisions of Section 197 of the Companies Act, 2013 ("the Act") the overall managerial remuneration to Directors shall not exceed 11 per cent (11%) of the net profits of the Company calculated in accordance with Section 198 of the Act ("Net Profit") and should be within the sub-limits as prescribed under the second proviso to Sub-Section (1) of Section 197 of the Act.

Prior to the amendments brought in by Companies (Amendment) Act, 2017 in Section 197, the Company may, with the approval of the Members at the general meeting, pay remuneration to the Managing Director, Whole Time Director or Manager, in excess of 5 per cent (5%) of the Net Profit for a particular financial year and where there is more than one such Directors, in excess of 10 per cent (10%) of the Net Profit to all of them together and to the Non- Executive Directors in excess of 1 per cent (1%) of the Net Profit of the Company.

However, as per the amendments made by the Companies (Amendment) Act, 2017 in the second proviso to Sub-Section (1) of Section 197 of the Act, which were made effective from September 12, 2018, the said approval of the Members of the Company has to be obtained by way of Special Resolution. Accordingly, approval of the Members is being sought for the Special Resolution as set out under Item No. 06 of the Notice for payment of remuneration to Directors in excess of sub-limits prescribed under the provisions of Section 197 of the Act for the Financial Year 2019-20 and subsequent years. Further, the total managerial remuneration to all the Directors shall be within the limit of 11% of the Net Profit as prescribed under Section 197 of the Companies Act, 2013, except as may be authorized by the Company in general meeting, subject to the provisions of Schedule V to the Act.

None of the Key Managerial Personnel of the Company / their relatives, other than the Directors to the extent of remuneration which may be paid to them in accordance with the provisions of Section 197 of the Companies Act, 2013, are 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 of the Notice for approval by the Members.

**ITEM NO. 07**

As per the provisions of Regulation 17 (6) of the Listing Regulations, all fees / compensation, payable to Non-Executive Directors shall be fixed by the Board of Directors and shall require approval of shareholders in general meeting.

Further a 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 only Non – Executive Director of the Company who is being paid remuneration not exceeding 30,00,000 per annum for holding position of Works Manager in Company. Except this 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 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 being sought for payment of remuneration to Non-Executive Directors as set out in the Special Resolution at Item No. 07 of this Notice. The said remuneration to Non-Executive Directors shall be in addition to the sitting fee and re-imburement 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. 07 of the Notice.

The Board recommends the Special Resolution as set out at Item No. 07 for approval by the Members.

**ITEM NO.08**

The Securities and Exchange Board of India ('SEBI') has amended certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015'). Pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which are effective from April 01, 2019, approval of the members by way of special resolution in general meeting shall be required, if the annual remuneration payable to Executive Directors, who are promoters or members of the promoter group, is in excess of the limits prescribed thereunder i.e. (i) where there is one such Director, ` 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or (ii) where there is more than one such director, 5 per cent of the net profits of the listed entity. It is further prescribed that such approval once obtained shall be valid till the expiry of the term of the respective Executive Director.

The members of the Company had at their previous Annual General Meetings ('AGM') held on September 29, 2017 approved the maximum remuneration payable to the Executive Promoter Directors, as per the limits mentioned below:

Mr. Rajendra R. Shah: **Salary:** Rs. 1,40,000 per month, with such increments at such time, as may be decided by the Board of Directors. **Allowances & Perquisites:** Allowances and perquisites shall comprise of: (i) Actual Medical Reimbursement (ii) Leave travel allowance / reimbursement for self and family once in a year in accordance with the rules of the company shall not exceed 50% of monthly Salary. (iii) Gratuity as per the rules of the company but shall not exceed half a month's Salary for each completed year of service. (iv) Car with driver for use on company's business, cell phone 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. (v) Reimbursement of entertainment, travelling and other expenses incurred in the course of legitimate business of the company.

Further, the managerial remuneration payable shall be within the overall ceiling stipulated under Section 197 of the Companies Act, 2013 read with Schedule V of the Act.

Though the remuneration payable to the Executive Promoter Director shall remain within the limits already approved by the members at their previous AGMs, the same may exceed the ceilings newly prescribed under Regulation 17(6)(e) of the SEBI Listing Regulations, 2015 and hence require approval of the members by way of Special Resolution.

The Board of Directors recommends the resolution at Item Nos. 8 of this Notice for your approval.

Save and except Mr. Rajendr R. Shah, Managing Director and Mr. Dilip R. Shah, Director (being brother of Mr. Rajendra R. Shah) 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. 08 of the Notice.

**ITEM NO 09**

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 2019 – 20 at a remuneration of Rs. 43,000/ annually plus applicable taxes.

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.

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

Name of the Director	Mr. Paresh J. Mistry	Mr. Divyakant R. Zaveri	Mr. Bharat D. Mehta
Date of Birth	July 20, 1969	June 28, 1948	March 01, 1953
Age	50	71	66
Qualification	B.Com, M.B.A.	B.Com, Chartered Accountant	B.Com, M.S.W., LLB
Experience in Specific functional area	Material Management, Purchase & Exports, & Administration	Accounts, Finance, Taxation & Corporate Management	Accounts, Administration & Management
Director Since	October 01, 2017	July 26, 2014	May 14, 2015
List of Companies in which outside directorship held as on March 31, 2019	Nil	1. Gujarat Containers Limited 2. Saptarishi Agro Industries Limited 3. Shroffs Engineering Private Limited	1. Best Value Chem Private Limited 2. Miku Polymers & Plastics Limited
Chairmanship/ Membership of Committees of other Board	Nil	1. Gujarat Containers Limited - Chairman of Audit Committee - Member of Nomination and Remuneration Committee - Member of Stakeholder Relationship  2. Saptarishi Agro Industries Limited - Chairman of Audit Committee	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	Nil	Nil	Nil
No. of Shares held	Nil	Nil	Nil

**BOARD'S REPORT**

To,  
The Members,  
Mercury Laboratories Limited

Your Directors have pleasure in presenting the 38<sup>th</sup> 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, 2019.

**1. FINANCIAL SUMMARY/PERFORMANCE OF THE COMPANY**

The financial performance of the Company for the financial year ended March 31, 2019 along with figures of previous financial year is summarized below:

PARTICULARS	(Rs. in Lacs)	
	2018-19	2017-18
Revenue from Operations	5552.10	5240.46
Gross Profit before Depreciation Interest & Tax	676.64	483.73
Less: Interest	108.81	90.69
Less: Depreciation	162.78	147.45
<b>Profit / (Loss) before Exceptional Items &amp; Tax</b>	<b>405.05</b>	<b>245.59</b>
Exceptional Items	-	-
<b>Profit / (Loss) before Tax</b>	<b>405.05</b>	<b>245.59</b>
Less: Current Tax including Income Tax of Previous Year & Deferred Tax	121.43	44.26
<b>Profit/(Loss) from Continuing Operations</b>	<b>283.61</b>	<b>201.33</b>
Profit/(Loss) from discontinued operations	-	-
Tax expense of discontinued operations	-	-
Profit/(loss) from Discontinued operations (after tax)	-	-
<b>Profit / (Loss) for the Period</b>	<b>283.61</b>	<b>201.33</b>
<b>Other Comprehensive Income</b>		
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	283.61	201.33
<b>*Earning Per Share</b>		
Basic	23.63	16.78
Diluted	23.63	16.78

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

**2. Dividend:**

Your Directors are pleased to recommend payment of dividend INR 1.50 per equity share of face value of INR 10 each for the year ended on March 31, 2019 absorbing Rs. 21.70 Lacs including Tax on Dividend, which will be, if approved, paid to the Shareholders holding shares as on September 21, 2019 after business hours. The dividend declared/recommended is in accordance with the principles and criteria as set out in the Dividend Distribution Policy. The Dividend Distribution Policy of the Company is set out as Annexure A.

**3. Transfer to Reserves:**

The Company proposes to transfer Rs. 200 lacs to the General Reserve out of the amount available for appropriation and an amount of Rs. 99.31 lacs is proposed to be retained in the Statement of Profit and Loss Account.

#### 4. Financial Performance and Operations Review:

During the year under review, the Company yielded Revenue from operations of INR 5552.10 lacs and earned Gross Profit before depreciation, interest and tax of INR 676.64 lacs with Net Profit of INR 283.61 Lacs as against Revenue from operations of INR 5240.46, Gross Profit before depreciation and Interest and tax of INR 483.73 lacs with Net Profit of INR 201.33 Lacs of previous year, respectively.

#### 5. Future Prospects:

We already have one of the high quality WHO GMP compliance oral manufacturing facility as well as we have added WHO GMP compliance parenteral manufacturing facility at Gorwa and established well equipped Quality Assurance and Quality Control Laboratories at Jarod. This facility will help us to produce our products as per international standard and expect number of agencies to inspect and approve the plant for regulatory market. Our expected agencies are Health Ministry of Malta, Health Ministry of Hungary, Health Ministry Philippines, Health Ministry of Peru as well as African Countries during the period 2019-20. We expect bigger boost up in our export sales in these countries in future and also expect growth in our domestic market.

We further aggressively take up ethical marketing by implementing mobile App for effectively monitoring and this will also help to implement our marketing strategy which ultimately results into domestic growth of our branded products. Our philosophy is to ensure that our brand products such as K-Stat Group, T-Stat Group, Merizyme Group, K-Win Group, Promolact Group, Ovaryl Group, Zidust and Clirway will contribute more and increase prescription waves of these products.

We also realize very high competition in institutional business and government business which lead to erosion of profit. Under that circumstances, we are restricting our activities of institutional and government business in certain states. We are expanding our institutional and government business in untracked states where margins are high. We have aggressively planned in export business to achieve higher business in Export, Deemed Export, Direct Export and we expect sales growth of approximate 40 – 50%.

Since government of India spending 1.5% GDP in health sector and for that they have come out with program such as Ayushman Bharat, Jan Aushad etc. scheme along with enhancement of primary health sector with testing and modern equipment. This will help to cover more Indian population which requires large quantity of medicines. We look this program as an opportunity to penetrate our company and our brands to health care program and enhance the business.

Government of India has introduced and simplified the act and the rules along with digitization and automation to effectively implement GST, Labour Law, Income Tax law and other company laws to make things easier for manufacturers. However, due to initial stage of digitization, we are working hard and trying to meet all government laws.

### 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

Our nation made number of changes in last 2 years and expect to change by creating message to common people that they get quality product with reasonable price. Government of India also ensures that all Indians must get medical treatments. They come out with number of supportive scheme in the healthcare segment which ultimate lead to health for all. Government's participation to more generate business in the pharmaceutical to the large extent and we being part of this activity. This will continue to give future scope of expansion.

Government of India and their dynamic approach towards easy to business, have made number of changes in different Act and Rule and making online enforcement as well as reducing interface between government and manufacturers from time to time. This will help company like us to easily meet the demand and focus more on business and expand the business to meet government requirements from time to time.

As government spell out Ayushman Bharat to cover atleast 50 crores under healthcare scheme and we will be part of that scheme by providing good quality of drugs to the agencies. Necessary change in the structure is made in our system as per the law from time to time.

Since last 2-3 decades, science and technology has given tremendous inputs to health systems and improve the life of common people and extended life span of Indian upto 68 years as average life span. This may be possible because Indian Pharma Companies take challenges of Science and Technologies and new methods, re-engineering techniques. Indian companies introduced new molecules which are less harmful. The Pharma companies made products available in the remote places of our country.

#### b) Outlook, Risks and Concerns

Indian Pharmaceutical Industry is estimated to grow at 12% to 14% in years to come. The Government of India had unveiled "Pharma Vision 2020" aiming at making India a global leader manufacturing. Many Indian companies are focusing on global generic and API emerging as preferred pharmaceuticals manufacturing location.



Price control order under NPPA who arbitrarily reduced some of the price of the drugs may affect us in future. However, we are continuously introducing new products and balancing our product portfolio so that eventually molecules come under NPPA and we may not be affected and our bottom line remains the same. In next 2-3 years more than 17-20 billion worth medicines will go off patent and this will help our company to take advantage of the patent products.

Increasing use of pharmaceutical generics in developed markets to reduce healthcare cost will provide attractive growth opportunities to generics manufacturers and thus Indian Pharmaceutical industry is poised for an accelerated growth in the coming years. However, poor public healthcare funding and infrastructure, low per capita consumption of medicines in developing and underdeveloped countries including India, currency fluctuations, regulatory issues, inflation and resultant all round increase in input costs are few causes of concern. The business remains exposed to risks arising out of currency movements, regulatory changes as well as geo-political events. As an organization Company is continuously developing capabilities and competencies to cope with tough industry environment.

#### c) Financial Performance and Operation Review

During the year under review, the Company yielded Revenue from operations of INR 5552.10 lacs and earned Gross Profit before depreciation, interest and tax of INR 676.64 lacs with Net Profit of INR 283.61 Lacs as against Revenue from operations of INR 5240.46, Gross Profit before depreciation and Interest and tax of INR 483.73 lacs with Net Profit of INR 201.33 Lacs of previous year, respectively.

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.

#### Rs. in Lacs

Break-up of Sales	2018 – 19	2017 – 18	Growth / (Degrowth)	
			In terms of Value	In terms of %
Domestic	3502.57	3883.03	(380.46)	(9.79)
Erga Sales	116.52	123.32	(6.80)	(5.51)
Deemed Exports	452.87	292.49	160.38	54.83
Direct Exports	1480.14	941.62	538.54	57.19
<b>Total</b>	<b>5552.10</b>	<b>5240.46</b>	<b>311.64</b>	<b>5.95</b>

During the financial year under report, the domestic sales of products of the Company amounted to INR 4071.96 lacs as against INR 4298.84 lacs in the previous year which reflect decrease 5.28% and in value INR 226.88 Lacs. Whereas the International Business (export) amounted to INR 1480.14 Lacs as against INR 941.62 lacs in the previous year which was increase by 57.19% and in value INR 538.54 Lacs.

#### d) Internal Control System and its adequacy

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 appointed internal auditor 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 plays 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 is 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 697 employees as on March 31, 2019.

**f) 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 drugs delivery system for ensuring products available as regard to time and enhancing 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.

**g) 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, 2019, 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, 2019 and of the Profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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. Mr. Paresh J Mistry, Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself 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. During the year under review, the board of directors, on the recommendations of the Nomination and Remuneration Committee had appointed Mr. Paresh J Mistry as Director of the Company.
- c. During the year under review Mr. Dilip Shah was appointed as Director of the Company with effect from November 01, 2018.
- d. Mr. Mukesh Khanna, Company Secretary of the Company resigned from the Company with effect from May 31, 2019. His resignation was accepted and approved by the Board of Directors at its meeting held on May 29, 2019.
- e. The Board of Directors recommended to re-appoint Mr. Divyakant R Zaveri and Mr. Bharat D Mehta as an Independent Director of the Company at the ensuing Annual General Meeting for period of 5 (Five) years.

Necessary resolutions for appointment / reappointment 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 appointment / re-appointment.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

**Key Managerial Personnel**

1. Mr. Rajendra R. Shah, Managing Director
2. Ms. Payal Doshi, CFO
3. Mr. Mukesh Khanna, Company Secretary (up to May 31, 2019)

**8. Number of Meetings of the Board**

Four Meetings of the Board were held during the year on May 28, 2018, August 14, 2018, November 01, 2018 and January 30, 2019. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

**9. Policy on Directors' Appointment and Remuneration and other details**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act may be accessed on the Company's website at the link: <http://www.mercurylabs.com>.

**10. Board Evaluation**

Pursuant to SEBI (Listing Obligations & Disclosures 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 Disclosures 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, 2019 is INR 120 Lacs. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

**14. Risk Management**

The Board of the Company has formed a Risk Management Policy to frame, implement and monitor the risk management plan for the Company. 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, 2019.

**17. Particulars of contracts or arrangements with related parties:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and in compliance of the provisions of Section 188 of the Companies Act, 2013 & rules made there under and Listing Agreement & SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015. The Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company. The Policy dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.mercurylabs.com>. All the related party transactions are placed before the Audit Committee as also Board for approval/Ratification.

Prescribed form AOC - 2, pursuant to Section 134 (3) (h) of the Companies Act, 2013 & Rule 8(2) of the Companies (Accounts) Rules, 2014, is furnished as Annexure – B to this report.

**18. Corporate Social Responsibility (CSR)**

Though not mandatory 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. D. R. Zaveri and Ms. Poornima Karvat and Mr. Bharat Mehta, three independent directors and Mr. Rajendra R. Shah, Managing Director and Dilip Shah, Director of the Company. However the Company has been pursuing CSR activities in the area of promotion of education in medical field by providing scholarship and other amenities to the medical students. The CSR policy of the Company is placed on the website of the Company [www.mercurylabs.com](http://www.mercurylabs.com).

**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 2018-19. 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](http://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.mercurylabs.com](http://www.mercurylabs.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 C.

**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 2018 - 2019. The information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure-C 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. The Companies (Amendment) Act, 2017 has waived the requirement for ratification of the appointment of Statutory Auditors by the Shareholders at every Annual General Meeting. Hence, the ratification of appointment of Statutory Auditors by your company is not required. Accordingly Statutory Auditor will continue to hold office till the conclusion of the 41st Annual General Meeting of the Company.

The Auditor's Report for the financial year 2018-2019 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, 2019. The Secretarial Audit Report is annexed as Annexure-E.

The Auditors' Report and the Secretarial Audit Report for the financial year ended March 31, 2019 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 has appointed M/s. Mitesh Rana & Co., Company Secretaries, Vadodara to carry out Secretarial Audit of your Company for FY 2019 – 2020.

**(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, Surat, 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 2019-20 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 38th Annual General Meeting approving the remuneration payable to M/s. V.M. Patel & Associates.

**(4) Internal Auditors**

The Board of Directors appointed M/s. Rachit Shah & Associates as Internal Auditors of the Company for financial year 2019 – 2020.

**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 Rs.
Accepted during the year from the Directors and members*	284.58
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 there on 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**

As provided under Section 92(3) of the Act, the extract of annual return is given in Annexure-F in the prescribed Form MGT-9, which forms part of this report.

**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 judgement and without any external influence.

The Board of Directors of the 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. 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.

**Place: Vadodara,**  
**Date: May 29, 2019**

**On behalf of the Board of Directors,**

**Rajendra R. Shah**  
**Chairman & Managing Director**  
**DIN: 00257253**

## 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 utilised 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 utilise 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](http://www.mercurylabs.com)

**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 arms 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 require under first proviso to section 188
			Not Applicable				

\* During the Financial Year 2018-19, no contract or arrangement or transaction was entered into by the company with the related parties which is not at arm's length basis.

**Details of contracts or arrangement or transactions 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	Date(s) of approval by the Board	Amount paid as advances, if any
Rajendra R Shah, Managing Director	Re-appointment as Managing Director	01/04/2017 to 31/03/2020	Re-appointment of Mr. Rajendra R Shah as Managing Director of the Company	31/01/2017	NA
MERCURY MARKETING AND CONSULTING SERVICES, a Firm in Which Directors Mr. Rajendra R Shah & Mr. Dilip R Shah are interested	To avail various services of experts personnel in different functional areas	01/07/2017 to 30/06/2020	To avail various services of experts personnel in different functional areas for Service Charges of INR 30,00,000/- per annum	19/05/2017	NA
Mercury Antibiotics Private Limited, Company in which Director Mr. Rajendra R Shah & Mr. Dilip R Shah interested	Renewal of Leave and License Lease Rent Agreement	01/04/2018 to 31/03/2021	To use premises of Mercury Antibiotics Private Limited on Leave and License Basis at monthly rental of INR 4,50,000/	27/01/2018	NA

**Note :** During the year under review, no material transactions, contracts or arrangements {as defined under the listing Agreement or which were above the threshold limits mentioned under Rule 15 of the Companies (Meetings of Board & its Powers) Rules, 2014} were entered with the related parties by the Company. For details on related party transactions, members may refer to the notes to the standalone financial statement.

**Place: Vadodara,**  
**Date: May 29, 2019**

**On behalf of the Board of Directors,**

**Rajendra R. Shah**  
**Chairman & Managing Director**  
**DIN: 00257253**



**Annexure - C 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:**

The Company continues its policy of giving priority to energy conservation measures including regular review of energy generation and consumption and effective control on utilization of 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.

**(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 not spent any amount on energy conservation equipments/consumables.

**PARTICULARS PERTAINING TO CONSERVATION OF ENERGY**

	Particulars	2018 - 19	2017 - 18
<b>1</b>	<b>Power and fuel consumption</b>		
<b>A.</b>	<b>Electricity</b>		
(a)	Purchased		
	Unit (in Kwh)	16,08,515	14,74,039
	Total amount (Rs.)	1,19,99,641	1,12,15,010
	Rate/unit (Rs.)	7.46	7.61
(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>B.</b>	<b>Coal (Specify quality and where used)</b>	N.A	N.A.
	Quantity (tones)		
	Total cost		
	Average Rate		
<b>C.</b>	<b>Light Diesel Oil</b>		
	Quantity (K. Liter)	13,640.69	18,579.38
	Total Amount (Rs.)	10,32,370	11,34,053
	Average Rate (Rs./K. Liter)	75.68	61.04
<b>D.</b>	<b>Other/Internal generation</b>		
	Total Cost	Nil	Nil
	Rate / Unit	Nil	Nil
	Consumption per unit of production	Standards if any	
	<ul style="list-style-type: none"> <li>• Products</li> <li>• Units</li> <li>• Electricity</li> <li>• Furnace Oil</li> <li>• Coal</li> <li>• Others</li> </ul>	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 &amp; Development

A) Specific area in which R&D carried out by the Company: Not Applicable  
No new technologies have been introduced during the year under review; however, the company intends to deploy the same at relevant point of time.

B) **Benefits derived as a result of R&D:** Nil

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:** 1,60,443

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 Rs.)	
		2018-19	2017-18
a.	Foreign Exchange Earnings	14,80,13,717	9,41,61,903
b.	Foreign Exchange outgo towards	4,37,483	82,27,101

**Annexure – D to the Board's Report**

[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Management Personnel Rules, 2014)]

a. The ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year:

The median remuneration of the employees of the company for the financial year is INR 71626

Non Executive Directors	Ratio to Median Remuneration
Mr. Divyakant R Zaveri (w.e.f. July 26, 2014)	---
Ms. Poonima Karvat (w.e.f. March 30, 2015)	---
Mr. Bharat Mehta (w.e.f. May 14, 2015)	---
Mr. Paresh Mistry (w.e.f. October 01, 2017)	11.86

\*Mr. Paresh Mistry, Employee of the Company was appointed as additional 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.

Executive Directors	Ratio to Median Remuneration
Rajendra R. Shah	30.45
Dilip R. Shah	---

- b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Finance Officer and Company Secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% Increase in remuneration in the financial year
Rajendra Ramanlal Shah	---
Dilip Ramanlal Shah	---
Divyakant Ramniklal Zaveri	---
Poornima Dharendra Karvat	---
Bharat Dhirajlal Mehta	---
Paresh J Mistry	9.26
Mukesh Mulkhraj Khanna	---
*Payal Doshi	49.50

- c. The percentage increase in the median remuneration of employees in the financial year: 7.60

Above figures given here as compared to previous year median which is not strictly comparable since there number of employee on rolls of the company stood 697 as at March 31, 2019 as compared to 662 as at March 31, 2018.

- d. The number of permanent employees on the rolls of the Company: 697

- e. 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 increase in remuneration per employees was approximately 7%. The profit after tax for the year 2018-19 increased by 40.87% The employees related cost is around 14%. The average increase in remuneration per employee is in line with normal pay revision and variable component forming integral part of the remuneration which is linked to individual performance, revenue achievement, profitability achievement, employee satisfaction, achieving strategic goals, customer satisfaction apart from Company's performance as a whole.

The average annual increase in the salaries of employees other than managerial personnel in the last financial year was around 7%. Increase in the managerial remuneration for the year was Nil except there is increase in salary of Ms. Payal Doshi, CFO of the Company and 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 overall performance of the Company.

- f. 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.

Place: Vadodara,  
Date: May 29, 2019

On behalf of the Board of Directors,

Rajendra R. Shah  
Chairman & Managing Director  
DIN: 00257253

## Annexure E

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

*[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**

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"). 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.

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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 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, 2019, according to the provisions of:

- i. The Companies Act, 2013 (**the Act**), and the Rules made thereunder;
- 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 thereunder;
- 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;
- 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, 1992 and Securities Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time
  - d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employees Benefits) Regulation, 2014 (**Not Applicable**)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable since the company has not issued and debt securities during the 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. The Company is not registered as Registrar to 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 (**Not applicable. The shares of the Company are not delisted at any stock exchange during the under review**) and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable. The Company not bought back any shares / securities during the year under review.**)

Our Scope of Audit for the compliance check for all other applicable laws to the Company from time to time (As briefed in Annexure A) to the extent applicable, was limited to comment with respect to proper systems in place to ensure compliance of various requirements of the stated laws. In respect of the same, as explained and confirmed to us by management, prima facie, there are adequate system checks implemented by management of the company to ensure compliance of the applicable provisions of the stated law, during the period under review.

Further, in respect of labour laws applicable to the company (As briefed in Annexure B), the company has proper systems in place to ensure compliance of various requirements of the stated laws. In respect of the same, as explained and confirmed to us by management and on an examination of various records, registers etc. kept and maintained by the Company, prima facie, the Company has complied with the stated applicable labour laws to the company, from time to time, during period under review to the extent applicable. 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
- 3) SEBI (Listing Obligations and Disclosures Requirement) 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**

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.

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 year under review:

1. Mr. Dilip R Shah was appointed as Non Executive Director of the Company with effect from November 01, 2018.
2. During the year under review, Company had transferred 20,300 Equity Shares to IEPF Authority.
3. The Company's Promoter is in process of complying with SEBI Circular No. CIR/SD/3/2011 dated June 17, 2011 regarding demat of total promoter's shareholding. There are 15,750 Equity Shares of INR 10 each held in physical form by promoter of the Company.
4. During the year under review company had filed Cost Audit Report for the year ended on March 31, 2018 on May 09, 2019 with additional fee payment.

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

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

**DATE: MAY 29, 2019  
PLACE : VADODARA**

**Note:** This report is to be read with assumptions/limitations as mentioned in Annexure "C" and our letter of even date which is annexed as "Annexure D" forming an integral part of this report.

**Annexure "A"**

1. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945 as amended from time to time
2. The Medicinal & Toilet Preparations (Excise Duties) Act, 1955
3. Poisons Act, 1919
4. The Indian Copyright Act, 1957
5. The Patents Act, 1970
6. The Trade Marks Act, 1999
7. Drugs (Price Control) Order, 2013 as amended from time to time

**Annexure "B"****A. LABOUR & INDUSTRIAL LAWS**

1. Apprentices Act, 1961
2. Contract Labour (Regulation and Abolition) Act, 1970
3. Employees Provident Fund and Miscellaneous Provisions Act, 1951 & Employees Provident Funds Scheme, 1952
4. Equal Remuneration Act, 1976 and Rules, 1976
5. Industrial Disputes Act, 1947
6. Industrial Employment (Standing Orders) Act, 1946
7. Maternity Benefit Act, 1961
8. Minimum Wages Act, 1948
9. Workmen's Compensation Act, 1923
10. Payment of Bonus Act, 1965 & the Payment of Bonus Rules, 1975
11. Payment of Gratuity Act, 1972 & The Payment of Gratuity (Central) Rules, 1972
12. Payment of Wages Act, 1936
13. The employees' State Insurance Act, 1948
14. The employees' State Insurance (General) Regulations, 1950
15. Factories Act, 1948
16. Personal Injuries Compensation Insurance Act, 1963 and Personal Injuries (Compensation Insurance) Rules, 1972
17. Employment Exchanges (Compulsory Notification of vacancies) Act, 1959 and The Employment Exchanges (Compulsory Notification of Vacancies) Rules, 1960
18. Supreme Court Guidelines on Prohibition of Sexual Harassment of Women at Work Place (Visaka v. State of Rajasthan)
19. Public Liability Insurance Act, 1991 and Public Liability Insurance Rules, 1991
20. Sales Promotion (Employees Conditions of Service) Act, 1976

**B. CENTRAL ENVIRONMENT AND SAFETY LAWS**

1. Environment Protection Act, 1986 and Environment (Protection) rules, 1986
2. Hazardous Wastes (Management and Handling) Rules, 1989
3. Manufacture, Storage And Import of Hazardous Chemicals Rules, 1989
4. The Water (Prevention And Control of Pollution) Act, 1974
5. The Air (Prevention And Control of Pollution) Act, 1974
6. Water (Prevention and Control of Pollution) Cess Act 1977 and Water (Prevention and Control of Pollution) Cess Rules 1978
7. National Green Tribunal Act, 2010
8. Biological Diversity Act, 2002

**Annexure "C"****Assumption and limitations:**

- (a) For the purpose of this Secretarial Audit of Mercury Laboratories Limited (the Company), we have assumed (without making any investigation) that:
  - i) All signatures, stamps and seals on the documents submitted to us are genuine.
  - ii) The information given by the Company in the documents are true and correct and the Company is not aware of any omission of material fact or information in the documents which may cause the documents to be misleading.

- i) The documents executed by the Company thereto have been executed by the persons authorised to execute the same pursuant to resolutions of the board of directors of the company.
  - ii) There have been no amendments to the documents submitted to us.
  - iii) There are no arrangements between any of the parties to the documents which modify or supersede any of the terms of the documents
  - iv) The board resolution have been properly passed in accordance with the articles of association of company (including, that any meeting convened was properly convened) and all directors who participated and voted are entitled so to do and are duly appointed and
- (b) We have examined the laws of India, as currently applied by Indian courts, as in our judgment is necessary for the purpose of this Report. We do not purport to be qualified to express an opinion, and we do not express any opinion, as to the laws of any jurisdiction other than India. This Report is strictly limited to the matters stated in the paragraph and does not extend to any other matter.
- (c) We have not conducted due diligence on the Company. We have not conducted any physical verification or valuations of the assets of the Company, our observation set out herein are limited to issues and risks arising out of legal matters. We have not examined the implications or business issues that may arise out of the commercial transactions or tax or regulatory matters as they do not fall within the scope of our review.
- (d) Our understanding of the facts is based upon and limited to the information/documents provided to us. We have no reason to believe that information or any of the documents provided to us are not genuine. Any variance of facts or of law may cause a corresponding change in the analysis set out in this Report.

**“Annexure D”**

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

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  
COMPANY SECRETARY  
ACS M. No.: 28113  
COP: 12364**

**DATE: MAY 29, 2019  
PLACE : VADODARA**

## "Annexure F"

<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on March 31, 2019</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.</b>

**I. REGISTRATION & OTHER DETAILS:**

I	CIN	L74239MH1982PLC026341
ii	Registration Date	12/2/1982
iii	Name of the Company	Mercury Laboratories Limited
iv	Category/Sub-category of the Company	Public Limited Company Company Limited by Shares
V	Address of the Registered office & contact details	First Floor 18, Shreeji Bhuvan, 51, Mangaldas Road, Princess Street, Mumbai-400 002 Telephone: 66372841 Tel.Fax: 91 22015441 Email: <a href="mailto:secretarial@mercurylabs.com">secretarial@mercurylabs.com</a> Website: <a href="http://mercurylabs.com">mercurylabs.com</a>
Vi	Whether listed Company	Yes. At BSE Ltd.
Vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited 102 & 103, Shagria Complex, 1st Floor Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara- 390 020, Gujarat. Tel No: 91 0265 2356573 Fax.No: 91 0265 2356791 Email: <a href="mailto:Vadodara@Linkintime.Co.In">Vadodara@Linkintime.Co.In</a> Website: <a href="http://www.Linkintime.Co.In">www.Linkintime.Co.In</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

SL No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1.	Manufacturing of Pharmaceuticals, Medicinal Drugs & Formulations	21002	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES : NIL**

SL No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION



## IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity)

## (I) Categoriwise Shareholding

Sr. No	Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Shareholding of Promoter and Promoter Group</b>									
(1)	<b>Indian</b>									
a)	Individual/ Hindu Undivided Family (HUF)	883750	19850	883400	73.81	867650	15750	883400	73.82	0.00
b)	Central Government / State Government(s)	-	-	-	0.00	-	-	-	0.00	0.00
c)	Bodias Corporate	-	-	-	0.00	-	-	-	0.00	0.00
d)	Financial Institutions / Banks	-	-	-	0.00	-	-	-	0.00	0.00
a)	Any Others (Specify)	-	-	-	0.00	-	-	-	0.00	0.00
	<b>SUB TOTAL:(A) (1)</b>	<b>863750</b>	<b>19650</b>	<b>883400</b>	<b>73.81</b>	<b>867650</b>	<b>15750</b>	<b>883400</b>	<b>73.82</b>	<b>0.00</b>
(2)	<b>Foreign</b>									
a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	0.00	-	-	-	0.00	0.00
b)	Government	-	-	-	0.00	-	-	-	0.00	0.00
c)	Institutions	-	-	-	0.00	-	-	-	0.00	0.00
d)	Foreign Portfolio Investor	-	-	-	0.00	-	-	-	0.00	0.00
e)	Any Other (Specify)	-	-	-	0.00	-	-	-	0.00	0.00
	<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>863750</b>	<b>19650</b>	<b>883400</b>	<b>73.81</b>	<b>867650</b>	<b>15750</b>	<b>883400</b>	<b>73.82</b>	<b>0.00</b>
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>									
(1)	<b>Institutions</b>									
a)	Mutual Funds	-	-	-	0.00	-	-	-	0.00	0.00
b)	Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
c)	Alternate Investment Funds	-	-	-	0.00	-	-	-	0.00	0.00
d)	Foreign Venture Capital Investors	-	-	-	0.00	-	-	-	0.00	0.00
a)	Foreign Portfolio Investor	-	-	-	0.00	-	-	-	0.00	0.00
f)	Financial Institutions / Banks	-	-	-	0.00	-	-	-	0.00	0.00
g)	Insurance Companies	-	-	-	0.00	-	-	-	0.00	0.00
h)	Provident Funds/ Pension Funds	-	-	-	0.00	-	-	-	0.00	0.00
i)	Any Others (specify)	-	-	-	0.00	-	-	-	0.00	0.00
	<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
(2)	Central Government/ State Government(s)/ President of India	-	-	-	0.00	-	-	-	0.00	0.00
	Central Government / State Government(s)/EPF	33900	0	33900	2.82	0	0	0	0.00	-2.83
	Sub Total (B)(2)	33900	0	33900	2.83	0	0	0	0.00	-2.83
(3)	<b>Non Institutions</b>									
(a)	<b>Individuals</b>									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	74688	97800	172288	14.36	85536	80700	186238	13.85	-0.50
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	54000	0	54000	4.50	54000	0	54000	4.50	0.00
(b)	NBFCs registered with RBI	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Employee Trusts	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Overseas Depositories(holding DRs) (balancing figure)	-	-	-	0.00	-	-	-	0.00	0.00

(e)	Any Other (Specify)IEPF	0	0	0	0.00	54200	0	54200	4.52	4.52
	Hindu Undivided Family	5101	0	5101	0.43	6054	0	6054	0.50	0.07
	Non Resident Indians (Non Repat)	56	0	56	0.00	56	0	56	0.00	0.00
	Non Resident Indians (REPAT)	5317	28400	33717	2.81	4255	28000	32255	2.69	-0.12
	Clearing Member	917	0	917	0.08	991	0	991	0.08	0.00
	Bodies Corporate	1221	15400	16621	1.39	1208	1600	2808	0.23	-1.15
	SUB TOTAL: (B) (3)	141300	141400	282700	23.56	206300	110300	316600	26.38	2.82
	<b>Total Public Shareholding (B) = (B) (1) + (B) (2) + (B)(3)</b>	175200	141400	316800	28.38	208300	110300	318600	28.38	0.00
	<b>Total (A+B)</b>	1038950	161050	1200000	100.00	1073950	126050	1200000	100.00	0.00
(C)	<b>Non Promoter - Non Public</b>									
[1]	Custodian/DR Holder	-	-	-	0.00	-	-	-	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	0.00	-	-	-	0.00	0.00
	<b>Total (A)+(B)+(C)</b>	1038950	181050	1200000	100.00	1073950	128050	1200000	100.00	

**(ii) SHARE HOLDING OF PROMOTERS**

Sr. No.	Shareholders Name	No. of Shares held at the beginning of the year (01.04.2018)			No. of Shares held at the end of the year (31.03.2019)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	SHAH DILIPBHAI RAMANLAL (HUF)	310600	25.88	0	310600	25.88	0	0.00
2	SHAH RAJENDRA RAMANLAL (HUF)	209050	17.42	0	209050	17.42	0	0.00
3	RAJENDRA RAMANLAL SHAH	85650	7.14	0	85850	7.14	0	0.00
4	JANKI RAJENDRA SHAH	78800	6.57	0	104000	8.67	0	2.10
5	DILIPBHAI RAMANLAL SHAH	59850	4.99	0	59850	4.99	0	0.00
7	KUSUMBEN RAMANLAL SHAH	50200	4.18	0	25000	2.088	0	0.00
8	PARESH RAMANLAL SHAH	23650	1.97	0	23650	1.97	0	0.00
9	KAUMUDINI RAJENDRA SHAH	21150	1.76	0	21150	1.76	0	-2.10
10	ADIT DILIPBHAI SHAH	15450	1.29	0	15450	1.29	0	0.00
11	BIMAL RAMANLAL SHAH	14000	1.67	0	14000	1.67	0	0.00
12	PARUL KIRAN LALIWALA	11700	0.98	0	12200	1.02	0	0.00
13	KISHORI DILIP SHAH	3300	0.27	0	3300	0.27	0	0.00

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)**

Sr. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	883400	73.61	883400	73.61
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)				
	At the end of the year	883400	73.61	883400	73.61

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	SHAH DILIP RAMANLAL	310600	25.88			310600	25.88
	At The End of the Year					310600	25.88
2	SHAH RAJENDRA RAMANLAL	209050	17.42			209050	17.42
	At The End of the Year					209050	17.42
3	RAJENDRA RAMANLAL SHAH	85650	7.14	-	-	85650	7.14
	At The End of the Year					85650	7.14
4	JANKI RAJENDRA SHAH	78800	6.57			78800	6.57
	Transmission/Transfer			April 27, 2018	25200	104000	8.67
	At The End of the Year					104000	8.67
5	DILIPBHAI RAMANLAL SHAH	59850	4.99			59850	4.99
	At The End of the Year					59850	4.99
6	KUSUMBEN RAMANLAL SHAH	50200	4.18			50200	4.18
	Transmission/Transfer			April 27, 2018	(25200)	25000	2.08
	At The End of the Year					25000	2.08
7	KAUMUDINI RAJENDRA SHAH	21150	1.78			21150	1.78
	At The End of the Year					21150	1.76
8	ADIT DILIPBHAI SHAH	15450	1.29			15450	1.29
	At The End of the Year					15450	1.29
9	PARESH RAMANLAL SHAH	23850	1.97			23850	1.97
	At The End of the Year					23650	1.97
10	BIMAL RAMANLAL SHAH	14000	1.17			14000	1.17
	At The End of the Year					14000	1.17
11	KISHORI DILIP SHAH	3300	0.28			0	0
	At The End of the Year					3300	0.28
12	PARULBEN KIRANBHAI LALIWALA	11700	0.98			11700	0.98
	Transfer			March 08, 2019	500	12200	1.02
	At The End of the Year					12200	1.02

**Note:** 1. Paid up Share Capital of the Company (Face Value INR 10.00) at the end of the year is 1200000 shares.  
 2. The details of holding has been clubbed based on PAN  
 3. % of total shares of the Company is based on the paid up capital of the Company at the end of the year.

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

Sl. No	Name of the shareholders	At the beginning of the year		Transactions during the year		At the end of the year	
		No. of Sharas	% of total sharas of the company	Data of Transaction	No. of Sharas	No of Sharas	% of Total shares of the company
	<b>For Each of the Top 10 Shareholders</b>						
1	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	33,900	2.82	-	-	33900	2.82
	Transfer			December 12, 2018	20300	54200	4.52
	At The End of the Year			-	-	54200	4.52
2	KETAN BABULAL SHAH	27000	2.25	-	-	27000	2.25
	At The End of the Year			-	-	27000	2.25
3	RAJESHRI KETAN SHAH	27000	2.25	-	-	27000	2.25
	At The End of the Year			-	-	27000	2.25
4	BHARATI BHARAT DATTANI	11964	0.99	-	-	11964	0.99
	Transfer			April 20, 2018	40	12004	1.00
	Transfer			June 08, 2018	5	12009	1.00
	At The End of the Year					12009	1.0008
5	JAYESHKUMAR SHASHIKANT SHETH	5000	0.42			5000	0.42
	Transfer			July 13, 2018	(25)	4975	0.42
	Transfer			August 03, 2018	(181)	4794	0.40
	Transfer			August 10, 2019	(115)	4679	0.39
	Transfer			September 07, 2018	(350)	4329	0.36
	Transfer			September 21, 2018	(25)	4304	0.36
	Transfer			November 23, 2018	(1)	4303	0.36
	Transfer			December 28, 2018	(94)	4209	0.35
	Transfer			January 18, 2019	(41)	4168	0.35
	Transfer			February 22, 2019	(65)	4103	0.34
	Transfer			March 01, 2019	(50)	4053	0.34
	Transfer			March 08, 2019	(100)	3953	0.33
	At the end of the year					3953	0.33
6	BHARAT JAMNADAS DATTANI	4188	0.3490			4188	0.35
	Transfer			April 06, 2018	86	4274	0.36
	Transfer			August 10, 2018	105	4379	0.36
	Transfer			September 29, 2018	213	4592	0.38
	Transfer			October 05, 2018	109	4701	0.39
	Transfer			November 23, 2018	476	5177	0.43
	Transfer			February 22, 2019	28	5205	0.43
	Transfer			March 01, 2019	75	5280	0.44
	At The End of the Year					5280	0.44
7	PURABI LAKHANI	4000	0.33	-	-	4000	0.33
	At the end of the year						
8	RAJESH GANDHI	4000	0.33			4000	0.33
	At The End of the Year					4000	0.33
9	NITIN P PATEL	4500	0.37			4500	0.37
	At The End of the Year	-	-			4500	0.37
10	SBI CAPITAL MARKETS LTD.	6300	0.52			6300	0.52
	At The End of the Year	-	-			0.00	0.00

The above details are given as on March 31, 2019. The Company is listed and shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders are due to market operations. Further, Company has not allotted/transferred or issued any bonus or sweat equity shares during the year.

<b>(v) Shareholding of Directors &amp; KMP</b>					
<b>Sl. No</b>		<b>Shareholding at the beginning of the year</b>		<b>Cumulative Share holding during the year</b>	
		<b>No of shares</b>	<b>% of total shares of the company</b>	<b>No of shares</b>	<b>% of total shares of the company</b>
<b>01</b>	<b>Mr. Dilipbhai Ramanlal Shah</b>				
	At the beginning of the year	59,850	4.99	59850	4.99
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	59,850	4.99	59850	4.99
<b>02</b>	<b>Mr. Rajendra R. Shah</b>				
	At the beginning of the year	85650	7.13	85650	7.13
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	85650	7.13	85650	7.13
<b>03.</b>	<b>Mr. Divyakant Zaveri</b>				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	0	0	0	0
<b>04.</b>	<b>Ms. Poomima Karvat</b>				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	0	0	0	0
<b>05.</b>	<b>Mr. Bharat Mehta</b>				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	0	0	0	0
<b>06</b>	<b>Mr. Paresh J Mistry</b>				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	0	0	0	0
<b>07</b>	<b>Payal Doshi</b>				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	0	0	0	0
<b>08</b>	<b>Mukesh Khanna</b>				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	0	0	0	0

**(V) INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	68820015	Nii	28457500	97277515
ii) Interest due but not paid	Nil	Nii	Nil	Nil
iii) Interest accrued but not due	4802	Nil	360164	364966
<b>Total (i+ii+iii)</b>	<b>68824817</b>	<b>Nil</b>	<b>28817664</b>	<b>97642481</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	640439852	Nii	31466532	671906384
Reduction	-642947385	Nil	-31882832	-674830217
<b>Net Change</b>	<b>-2507533</b>	<b>Nil</b>	<b>-416300</b>	<b>-2923833</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	66317284	Nii	28401364	94718648
ii) Interest due but not paid	Nil	Nii	561353	561353
iii) Interest accrued but not due	289515	Nil	Nil	289515
<b>Total (i+ii+iii)</b>	<b>66606799</b>	<b>Nil</b>	<b>28962717</b>	<b>95569516</b>

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A. Remuneration to Managing Director, Whole time director and/or Manager:			
Sl. No.	Particulars of Remuneration		Total Amount
1	<b>Gross salary</b>	Mr. Rajendra Shah	
	(a) Salary as per provisions contained in section 17(1) of the income Tax, 1961.	16,80,000	16,80,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	5,01,181	5,01,181
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2	Stock option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	as % of profit	-	-
	others (specify)	-	-
5	<b>Others, please specify</b>	-	-
	<b>Retrial Benefits</b>	-	-
	<b>Total (A)</b>	<b>21,81,181</b>	<b>21,81,181</b>
	<b>Ceiling as per the Act</b>	<b>43.15 Lacs Managerial Personnel</b>	<b>43.15 Lacs per Managerial Personnel</b>

**B. Remuneration to other directors:**

Sl. No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	<b>Mr. Divyakant Zaveri</b>	<b>Ms. Poornima Karvat</b>	<b>Mr. Bharat Mehta</b>	
	(a) Fee for attending board committee meetings	36000	18500	17500	72000
	(b) Commission	0	0	0	0
	(c) Others, please specify	0	0	0	0
	<b>Total (1)</b>	<b>36000</b>	<b>18500</b>	<b>17500</b>	<b>72000</b>
2	Other Non Executive Directors	<b>Paresh J. Mistry</b>	<b>D. R. Shah</b>		
	(a) Fee for attending board committee meetings	17,500	5000		22500
	(b) Commission	0	0		0
	(c) Others, please specify	8,49,240	0		
	<b>Total (2)</b>	<b>8,66,740</b>	<b>5000</b>		<b>8,71,740</b>
	<b>Total (B) = (1+2)</b>				<b>9,66,240</b>
	<b>Total Managerial Remuneration</b>				<b>9,66,240</b>

**A. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL		
		Company Secretary	CFO Ms. Payal Doshi	Total Amount
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	90,000	6,10,152	7,00,152
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	as % of profit	Nil	Nil	Nil
	others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Retrial Benefits</b>	Nil	Nil	Nil
	<b>Total</b>	<b>90,000</b>	<b>6,10,152</b>	<b>7,00,152</b>

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES					
Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

Place : Vadodara  
Date : May 29, 2019

For & on behalf of the Board of

Rajendra R. Shah  
Chairman & Managing Director  
DIN : 00257253

**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, 2019 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, 2019.

**Date: May 29, 2019**  
**Place: Vadodara**

**Rajendra R Shah**  
**CEO & Managing Director**



**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, 2019, 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, 2019.
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**

**N. R. Dholakia**  
**Partner**  
**No. 037350**

**Place : Vadodara**  
**Date : May 29, 2019**

**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**

- i. As on March 31, 2019, the Board of Directors is consisting of 6 (Six) Directors with a Chairman and Managing Director, Whole Time Director, Two Independent Non-Executive Directors and One Woman Independent Director and 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 acts as Director. Necessary, disclosures regarding committee positions in other public companies as on March 31, 2019 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.

Name of Directors	Category of Directors	No. of Board Meeting Attended during 2018-19	Attendance at the last AGM	No. of outside Directorship held	No. of Committee Chairmanship/ Membership in other Companies as a	
					Chairman	Member
Rajendra R. Shah DIN 00257253	Chairman & Managing Director	4	Yes	1	None	None
Dilip R. Shah DIN 00257242	Whole Time Director	3	Yes	1	None	None
Divyakant R. Zaveri DIN 01382184	Non-Executive Independent	4	Yes	3	2	4
Poornima D. Karvat DIN 07144874	Woman Non-Executive Independent	2	No	Nil	None	2
Bharat D. Mehta DIN 07180906	Non-Executive Independent	2	No	2	1	2
Paresh J Mistry	Non-Executive Non Independent Director	3	Yes	1	None	None

- iv. 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 meeting were held is as under:

Date	Board Strength	No. of Directors Present
May 28, 2018	6	5
August 14, 2018	6	4
November 01, 2018	6	5
January 30, 2019	6	4

The necessary quorum was present for all the meetings.

- v. The terms and conditions of appointment of the independent directors are disclosed on website of the Company.
- vi. 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.
- vii. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.

### 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 are given below: The Company Secretary act as secretary to Audit Committee.

Name	Category of Director	Number of Meetings during the Year 2018-19	
		Heid	Attended
Mr. Divyakant R. Zaveri	Chairman, Non-Executive Independent	4	4
Ms. Poonima D. Karvat	Non-Executive Independent	4	2
Mr. Bharat D. Mehta	Non-Executive Independent	4	2

During the financial year, four meetings of Audit Committee were held i.e. on May 28, 2018, August 14, 2018, November 01, 2018 and January 30, 2019. The necessary quorum was present at the meeting.

The CFO as an invitee attends the meetings regularly.

#### Powers of Audit Committee

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 terms of reference of the audit committee are broadly as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's responsibility Statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act
  - Changes, if any, in accounting policies and practices and reasons for the same major accounting entries involving estimates based on the exercise of judgement by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statements of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendation to the board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transaction of the companies with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial control and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
19. To review the functioning of the whistle blower mechanism.
20. Approval of appointment of CFO;
21. The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the board and may also discuss any related issue with the internal and statutory auditors and the management of the company;
22. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
23. Oversee financial reporting controls and process for material subsidiary;
24. Oversee compliance with legal and regulatory requirements including the MLL code of conduct ("MLLCoC") for the company and its material subsidiaries;

**To mandatorily review the following information:**

- Management discussion and analysis of financial condition and result of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor.

The audit committee invites executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the statutory auditors to be present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.

The Previous Annual General Meeting (AGM) of the company was held on September 14, 2018.

**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 which was earlier known as Remuneration/Compensation Committee.

Name	Category of Director
Poornima D. Karvat	Chairman, Non-Executive Independent
Divyakant R. Zaveni	Non-Executive Independent
Bharat D. Mehta	Non-Executive Independent

During the financial year, there was no meeting of Nomination & Remuneration Committee held. The necessary quorum was present at the meeting.

**The broad terms of reference of the nomination and remuneration committee are as under:**

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

- d) 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.
- e) 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 which consisted of Ms. Poonima D. Karvat, Mr. Divyakant R. Zaveri, Mr. Bharat D. Mehta. The Chairman of the Committee was Ms. Poonima D. Karvat.

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 2018 – 19 are as under.

Name of Director	Sitting Fees Paid
Mr. Divyakant R. Zaveri	36000
Mr. Bharat D. Mehta	17500
Ms. Poonima D. Karvat	18500
Mr. Paresh J Mistry	17500

For the year ended on March 31, 2019 Mr. Rajendra R. Shah, Managing Director was paid remuneration of Rs. 16,80,000 and perquisite of Rs. 5,01,181 aggregate value thereof was Rs. 21,81,181 with approval of shareholders, Mr. Rajendra Shah has been appointed as the Managing Director for tenure of Three years with effect from April 01, 2017 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 Works Manager 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 8,49,240 for the year ended on March 31, 2019 for holding and working as Works Manager 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 works as Works Manager of the Company. The company has not granted any stock option to any of its directors.

#### C. STAKEHOLDER RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee comprises of 3 (Three) Non-Executive Independent Directors namely Mr. Bharat Mehta, Mr. Divyakant Zaveri and Ms. Poonima Karvat.

Name	Category of Director	Number of Meetings during the Year 2018-19	
		Held	Attended
Ms. Poonima D. Karvat	Chairman, Non-Executive Independent	3	2
Mr. Divyakant R. Zaveri	Non-Executive Independent	3	3
Mr. Bharat D. Mehta	Non-Executive Independent	3	1

Mr. Mukesh Khanna, Company Secretary is the Compliance Officer.

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.

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

Though not mandatory 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 Ms. Poornima Karvat and Mr. Bharat Mehta, three Non Executive, Independent directors and Mr. Rajendra R Shah, Managing Director and Dilip Shah, Director of the Company. Ms. Poornima Karvat elected as Chair person of the CSR committee.

However the Company has been pursuing CSR activities in the area of promotion of education in medical field by providing scholarship and other amenities to the medical students.

The CSR policy of the Company is placed on the website of the Company [www.mercury labs.com](http://www.mercury labs.com).

#### 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	Resolutions passed
March 31, 2018	September 14, 2018 at 12:00 Noon	At the Electric Merchant's Association Hall, Room No. 12, Shreeji Bhuvan, 51, Mangaldas Road, Princess street, Mumbai - 400 002.	<ol style="list-style-type: none"> <li>1. Appointment of Paresh Mistry as Director of the Company</li> <li>2. Approval of payment of remuneration to Paresh Mistry</li> <li>3. Ratification of remuneration payable to Jeegar Patel &amp; co.</li> <li>4. inviting/accepting/renewal of deposits from members under section 73 of companies act.</li> </ol>
March 31, 2017	Friday, the September 29, 2017 at 11:30 a.m.	At the Electric Merchant's Association Hall, Room No. 12, Shreeji Bhuvan, 51, Mangaldas Road, Princess street, Mumbai - 400 002.	<ol style="list-style-type: none"> <li>1. Approval of Related Party Transactions</li> <li>2. Appointment of Mr. Rajendra R. Shah as Managing Director of the Company for a further period of 3 years with effect from April 01, 2017</li> <li>3. Ratification of Remuneration payable to M/s. Jeegar Patel &amp; Co. Cost Auditor</li> </ol>
March 31, 2016	Monday, the September 26, 2016 at 12:00 noon	At the Hall of Silk Marchants' Association Charitable Trust, Dahanukar Building, 1 <sup>st</sup> Floor, 480, Kalbadevi Road, Mumbai - 400 002	<ol style="list-style-type: none"> <li>1. Approval of Related party Transaction</li> <li>2. Statutory Record/Register to be kept and maintain at Corporate office of the Company.</li> <li>3. Appointment of Mr. Dilip Shah as a Whole Time Director</li> </ol>

**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:

All contracts / arrangements / transaction entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with policy of the Company. The Policy dealing with related party transaction as approved by the Board may be accessed on the Company's website at the link: <http://www.mercury labs.com>.

**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 2016 – 17 , 2017-18 & 2018-19 respectively: Nil**

**III.** There is no interest relationship between the directors of the Company except Mr. Rajendra R. Shah and Mr. Dilip R shah who are real brothers.

**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 [www.mercurylabs.com](http://www.mercurylabs.com).

**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, 2019 . 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.

**VI. 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.

**VII. Means of Communication**

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](http://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.

**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.

**VIII. General Shareholder information**

**I. Annual General Meeting date, time and venue:**

Day, Date & Time	Saturday, September 28, 2019 at 11:30 a.m.
Venue	Electric Merchants' Association Hall, Shreeji Bhuvan, Room No. 12, 2nd Floor, 51 Mangaldas Road, Lohar Chawl, Mumbai – 400 002

**II. Financial Calendar**

Financial Year : April 1 to March 31

For the financial year 2018 – 19, the results were announced as per the following details:

1st Quarter ended on June 30, 2018	August 14, 2018
2nd Quarter ended on September 30, 2018	November 01, 2018
3rd Quarter ended on December 31, 2018	January 30, 2019
Audited Financial Result for the year ended on March 31, 2019	May 29, 2019

For the financial year 2019 – 20, financial results will be announced as per the following tentative schedule:

1 <sup>st</sup> Quarter ended on June 30, 2019	Last week of July, 2019
2 <sup>nd</sup> Quarter ended on September 30, 2019	First week of November, 2019
3 <sup>rd</sup> Quarter ended on December 31, 2019	First week of February, 2019
Audited Financial Result for the year ended on March 31, 2020	Last week of May, 2020

**III. Dividend Payment Date** : On or after September 28, 2019

**IV. Date of Book Closure**

The Company's Register of Member's & Share Transfer Book will remain closed from September 23, 2019 to September 28, 2019 (both days inclusive).

**V. Listing on Stock Exchange**

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

The Company has paid the listing fees to this Stock Exchange for the year 2018-19.

**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. Market price data:**

High / Low in each month of year 2018 - 19 on the Bombay Stock Exchange Limited, Mumbai.

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April	459.00	339.00	October	419.90	361.95
May	450.00	388.10	November	417.00	343.50
June	433.50	388.00	December	395.00	335.00
July	424.95	356.00	January	362.20	345.00
August	448.90	359.00	February	360.00	300.00
September	438.50	365.75	March	342.00	311.00

**X. 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 2018	35160.36	6.65	447.65	14.78
May 2018	35322.38	0.46	428.85	-4.20
June 2018	35423.48	0.29	406.00	-5.33
July 2018	37606.58	6.16	357.00	-12.07
August 2018	38645.07	2.76	430.00	20.45
September 2018	36227.14	-6.26	384.00	-10.70
October 2018	34442.05	-4.93	400.00	4.17
November 2018	36194.30	5.09	378.00	-5.50
December 2018	36068.33	-0.35	369.00	-2.38
January 2019	36256.69	0.52	360.00	-2.44
February 2019	35867.44	-1.07	330.75	-8.13
March 2019	38672.91	7.82	339.00	2.49

**XI. Registrar and Share Transfer Agent:**

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



**xii. 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.

**xiii. Categories of Shareholding and Dematerialisation of Shares as on March 31, 2019**

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	15750	867650	883400	73.61%
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	28000	4311	32311	2.70%
Others (includes holding of Corporate Bodies)	82300	201989	284289	23.69%
<b>TOTAL</b>	<b>126050</b>	<b>1073950</b>	<b>1200000</b>	<b>100%</b>
<b>Percentage</b>	<b>10.50</b>	<b>89.50</b>		

**xiv. Distribution of Share Holding as on March 31, 2019**

No. of Shares	Number of shareholders	Percentage of Total	Number of shares	Percentage of total shares
1 to 500	897	92.95	112639	9.39
501 to 1000	25	2.59	21116	1.76
1001 to 2000	12	1.24	20722	1.73
2001 to 3000	5	0.51	13201	1.10
3001 to 4000	6	0.62	22653	1.89
4001 to 5000	3	0.31	14360	1.20
5001 to 10000	3	0.31	21009	1.75
10001 and above	14	1.45	974300	81.19
<b>Total</b>	<b>1057</b>	<b>100.00</b>	<b>1200000</b>	<b>100.00</b>

**xv.** The Company has not issued any GDRs / ADRs or any convertible instrument.

**xvi. Plant Locations :** At. 2/13-14 BIDC, Gorwa Industrial Estate, Baroda and  
At. Halol-Baroda Road, Village : Jarod, Dist. Vadodara.

**xvii. Address for Correspondence for Settlement of shares related:**

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

**xviii. Registered Office & Address for correspondence:**

**Registered Office Address:** 18, Shreehi Bhuvan, 51, Mangaldas Road,  
Princess Street, Mumbai - 400 002. Telephone: 022-66372841.

**Corporate Office:** 2/13-14, Gorwa Industrial Estate, Gorwa Road, Vadodara-390 016.  
E-mail : 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.

**Place: Vadodara**  
**Dated: May 29, 2019**

**For and on behalf of the Board**

**Rajendra R Shah**  
**Chairman & Managing Director**  
**DIN: 00257253**

**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**

**Date: May 29, 2019**

**Place: Vadodara**

**CEO and CFO Certification**

We Rajendra R. Shah, Chairman and Managing Director, Payal Doshi, Chief Financial Officer certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our 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, 2019 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we 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 : May 29, 2019**

**Rajendra R Shah**  
**Chairman & Managing Director**

**Payal Doshi**  
**Chief Financial Officer**

**INDEPENDENT AUDITOR'S REPORT**

To, The Members of Mercury Laboratories Limited

Report on 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 March 31, 2019, the Statement of Profit & Loss and Statement of Cash Flows for the year ended March 31, 2019 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We have 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 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 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.

**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.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

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

**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.

**Appendix A to Independent Auditors' Report**

## Further description of Auditor's responsibilities for audit of 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.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors Report) Order, 2016 ("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 31<sup>st</sup> March, 2019, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2019 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 except as mentioned in Note 27 of the Financial Statements.
  - (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.

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

**CA N.R.DHOLAKIA  
PARTNER  
(M R N 037350)**

**Date : May 29, 2019  
Place: Vadodara**

**“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 31<sup>st</sup> March 2019 of MERCURY LABORATORIES LIMITED)

- (i) (a) The Company has maintained proper records showing full particulars including Quantitative Details and situation of the Fixed Assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of the immovable properties are held in the name of the company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in the books of accounts.
- (iii) The Company has not granted any loan, secured or unsecured, to Companies, Firms or Other Parties covered in the register maintained u/s. 189 of the Companies Act, 2013 during the year under report. Consequently, no comments are necessary on Para (iii) (a) (b) & (c) of CARO 2016.
- (iv) The Company has not granted any loans or advances or has not given any guarantee or has not acquired securities of any other body corporate exceeding sixty percent of its paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more and hence the question of compliance of Section 185 and 186 of Companies Act, 2013 doesn't arise.
- (v) The Company has accepted deposits from members/directors and the same is in compliance with the provisions of Section 73 to 76 of the Companies Act, 2013.
- (vi) We have broadly reviewed the cost records maintained by the company for its products 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, Excise Duty, and other material statutory dues applicable to it.
- (b) According to the records of the company, there are no dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty, Goods and Services Tax, Cess which have not been deposited on account of any dispute.
- (c) Amount required to be transferred to Investor Education and Protection Fund in terms of Section 642 of the Companies Act, 1956 read with sub-section (3) of Section 205C of the said Act and the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001 has been duly transferred.
- (viii) 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 financial institutions or banks. The Company has not issued any debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) except a term loan which has been applied for the purpose for which it was raised.

- (x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(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, Ind AS-24 "Related Party Disclosures".
- (xiv) 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 placement of shares or fully or partly convertible debentures during the year.
- (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 him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly the provisions of 3(xvi) of the order are not applicable to the Company.

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

**Date : May 29, 2019  
Place: Vadodara**

**CAN. R. DHOLAKIA  
PARTNER  
(M. R. N. 037350)**



**“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 **31<sup>st</sup> March, 2019** 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 31 March 2019, 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.

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

**Date : May 29, 2019  
Place: Vadodara**

**CAN.R.DHOLAKIA  
PARTNER  
(M. R. N. 037350)**

**BALANCE SHEET AS AT MARCH 31, 2019**

Sr. No.	Particulars	Note No	As at 31ST MARCH, 2019	As at 31ST MARCH, 2018
	<b>ASSETS</b>			
(1)	<b>Non current Assets</b>			
	(a) Property, Plant and Equipment	3.1	24,31,38,110	20,70,20,128
	(b) Capital work-in-progress	3.2	-	24,08,587
	(c) Intangible Assets	3.3	7,27,770	8,03,381
	(d) <u>Financial Assets</u>			
	(i) Investments	4.1	63,000	63,000
	(ii) Loans	4.2	-	-
	(iii) Other Non current Assets	4.3	1,00,56,999	96,04,395
(2)	<b>Current assets</b>			
	(a) Inventories	5	6,78,27,573	7,69,00,580
	(b) <u>Financial Assets</u>			
	(i) Investments	6.1	-	-
	(ii) Trade receivables	6.2	19,28,85,068	14,71,80,228
	(iii) Cash and cash equivalents	6.3	28,57,655	2,65,51,851
	(iv) Bank Balances other than (iii) above	6.4	1,19,66,713	1,13,85,627
	(v) Loans	6.5	27,02,242	24,56,557
	(vi) Other financial assets	6.6	2,14,036	1,86,604
	(c) Other current assets	7	4,05,31,051	3,24,24,907
	<b>Total Assets</b>		<b>57,29,70,217</b>	<b>51,69,85,845</b>
	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Equity</b>			
	(a) Equity Share capital	8	1,20,00,000	1,20,00,000
	(b) Other Equity	9	27,76,58,962	25,14,67,127
	<b>Total equity attributable to equity holders of the Company</b>		<b>28,96,58,962</b>	<b>26,34,67,127</b>
(2)	<b>LIABILITIES</b>			
	<b>Non-Current liabilities</b>			
	(a) Provisions	10	1,08,92,197	1,01,74,285
	(b) Deferred Tax Liability	11	1,82,20,478	1,58,93,115
	(c) Borrowing	11.1	8,50,15,443	9,69,48,473
(3)	<b>Current liabilities</b>			
	(a) <u>Financial Liabilities</u>			
	(i) Trade payables	12	11,66,68,827	8,90,35,874
	(ii) Other financial liabilities	13	3,13,92,747	2,37,06,367
	(b) Other current liabilities	14	1,16,72,547	1,20,02,604
	(c) Provisions	14.1	-	-
	(c) Current Tax Liabilities (Net)	15	94,49,016	57,58,000
	<b>Total Liabilities</b>		<b>28,33,11,255</b>	<b>25,35,18,718</b>
	<b>Total Equity and Liabilities</b>		<b>57,29,70,217</b>	<b>51,69,85,845</b>

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**

**CA N. R. Dholakia**  
**Partner**  
**M. No. 037350**  
**Place : Vadodara**  
**Date : May 29, 2019**

**For and behalf of the Board**  
**Mercury Laboratories Ltd .**

**Rajendra R. Shah**  
**Chairman & MD**  
**DIN : 00257253**

**Payal Doshi**  
**Chief Financial Officer**  
**Place : Vadodara**  
**Date : May 29, 2019**

**Paresh J. Mistry**  
**Director**  
**DIN : 07893654**

**Mukesh Khanna**  
**Company Secretary**

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2019**

	Particulars	Note No.	For the period ended on March 31, 2019	For the period ended on March 31, 2018
I	Revenue From Operations	16	55,52,09,779	52,40,46,288
II	Other Income	17	1,04,39,011	42,44,237
III	<b>Total Income (I+II)</b>		<b>56,56,48,790</b>	<b>52,82,90,525</b>
IV	<b>EXPENSES</b>			
	Cost of materials consumed	18	23,33,41,543	22,95,96,531
	Purchase of Stock in trade		1,26,06,735	1,99,36,017
	Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress	19	1,74,65,477	-1,12,17,821
	Excise duty on sale of goods		-	53,69,180
	Employee benefits expense	20	7,82,65,480	7,33,52,479
	Finance costs	21	1,08,81,319	90,69,309
	Depreciation and amortization expense		1,62,78,365	1,47,44,826
	Other expenses	22	15,63,04,601	16,28,81,020
	<b>Total expenses (IV)</b>		<b>52,51,43,520</b>	<b>50,37,31,541</b>
V	Profit/(loss) before exceptional items and tax (I-IV)		4,05,05,270	2,45,58,984
VI	Exceptional Items		-	-
VII	<b>Profit/(loss) before tax (V-VI)</b>		<b>4,05,05,270</b>	<b>2,45,58,984</b>
VIII	Tax expense:			
	(1) Current Tax		92,92,886	57,58,000
	(2) Incometax of previous year		5,23,190	11,32,123
	(2) Deferred tax		23,27,363	-24,64,245
IX	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>2,83,61,831</b>	<b>2,01,33,106</b>
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	<b>Profit/(loss) for the period (IX+XII)</b>		<b>2,83,61,831</b>	<b>2,01,33,106</b>
XIV	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		-	-
	A (ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	- Remeasurement of Defined benefit plans		-	-
XV	<b>Total other comprehensive income (A (i - ii))</b>		<b>-</b>	<b>-</b>
XVI	<b>Total comprehensive income for the period (XIII + XV)</b>		<b>2,83,61,831</b>	<b>2,01,33,106</b>
XVII	Earnings per equity share (for continuing operation):			
	(1) Basic		23.63	16.78
	(2) Diluted		23.63	16.78
XVIII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XIX	Earnings per equity share (for discontinued & continuing operations)			
	(1) Basic		23.63	16.78
	(2) Diluted		23.63	16.78

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**

**CA N. R. Dholakia**  
**Partner**  
**M. No. 037350**  
**Place : Vadodara**  
**Date : May 29, 2019**

**For and behalf of the Board**  
**Mercury Laboratories Ltd .**

**Rajendra R. Shah**  
**Chairman & MD**  
**DIN : 00257253**  
**Payal Doshi**  
**Chief Financial Officer**  
**Place : Vadodara**  
**Date : May 29, 2019**

**Paresh J. Mistry**  
**Director**  
**DIN : 07893654**  
**Mukesh Khanna**  
**Company Secretary**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Pursuant to clause 32 of listing agreement)

Item	For the Year ended 31.3.2019 Rupees	For the Year ended 31.3.2018 Rupees
<b>A. Cash flow from Operating Activities :</b>		
<i>Net Profit before Tax &amp; Extra Ordinary Items</i>	4,05,05,270	2,45,58,984
Adjustment for :		
Depreciation & Write-offs	1,62,78,365	1,47,44,826
Loss/(Profit) on Sale of Investments/Assets	-	(3,28,367)
Bad Debts	-	10,72,083
Interest	1,08,81,319	90,69,309
<i>Operating Profit before Working Capital Changes</i>	6,76,64,954	4,91,16,835
Adjustments for :		
(Increase)/Decrease in Trade Receivables	(4,57,04,840)	2,81,13,196
(Increase)/Decrease in Inventories	90,73,007	(8,27,895)
(Increase)/Decrease in Loans & Advances	(2,45,685)	(4,24,044)
(Increase)/Decrease in other current assets	(40,02,370)	(84,93,507)
Increase/(Decrease) in Trade Payable	2,76,32,953	(1,43,73,061)
Increase/(Decrease) in Other Current Liabilities	73,56,323	31,75,906
Increase/(Decrease) in Long term provisions	7,17,912	8,08,050
<i>Cash Generated from Operations</i>	6,24,92,254	5,70,95,480
Interest Paid	-	-
Direct Taxes Paid (Net of Refund)	(1,02,56,266)	(74,19,078)
<i>Cash Flow before Extra Ordinary Items</i>	5,22,35,988	4,96,76,402
Prior Period Items ( being cash items )	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>5,22,35,988</b>	<b>4,96,76,402</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(4,99,12,149)	(3,71,65,107)
Net Proceeds from Sale of Fixed Assets	-	3,80,000
Dividend Received	-	-
Investments	-	-
Sale of Investments	-	-
<b>Net Cash used in Investment Activities</b>	<b>(4,99,12,149)</b>	<b>(3,67,85,107)</b>
<b>C. Cash Flow from Financing Activities</b>		
Interest Paid	(1,08,81,319)	(90,69,309)
(Increase)/Decrease in Other Non current Assets	(4,52,604)	(8,31,869)
Increase/(Decrease) in Short Term Borrowings	-	-
Increase/(Decrease) in Long Term Borrowings	(1,19,33,030)	2,27,56,542
Dividend Paid (incl. Tax Thereon)	(21,69,996)	(21,66,438)
<b>Net Cash used in Financing Activities</b>	<b>(2,54,36,949)</b>	<b>1,06,88,926</b>
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(2,31,13,110)</b>	<b>2,35,80,221</b>
Cash and Cash Equivalents at beginning of the year	3,79,37,478	1,43,57,257
Cash and Cash Equivalents at the end of the year	1,30,38,749	3,62,48,239
Earmarked balances with banks (Margin Money)	17,85,619	16,89,239
<b>Note : 20 Cash &amp; Bank balances at the end of the year</b>	<b>1,48,24,368</b>	<b>3,79,37,478</b>

As per our Report of Even Date

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

CA N. R. Dholakia  
Partner  
M. No. 037350  
Place : Vadodara  
Date : May 29, 2019

For and behalf of the Board  
Mercury Laboratories Ltd .

Rajendra R. Shah  
Chairman & MD  
DIN : 00257253

Payal Doshi  
Chief Financial Officer  
Place : Vadodara  
Date : May 29, 2019

Paresh J. Mistry  
Director  
DIN : 07893654

Mukesh Khanna  
Company Secretary

### **Notes to the Ind AS Financial Statements for the year ended March 31,2019**

#### **1. Company Overview**

Mercury Laboratories the registered partnership firm started its business activity in the year 1962. Subsequently it converted into Private Ltd. Company, & incorporated in the year 1982. Later it further converted into Limited Company in the year 1992 in state of Maharashtra. The company has obtained ISO 9001:2008 registrations and is engaged in the business of Pharmaceutical items. The company is profit making and dividend paying Public Limited Company.

The Company made its public issue in the year 1992 and was earlier listed on the OTC Stock Exchange. In the year 2014, the company has been listed on Bombay Stock Exchange.

#### **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) Basis of preparation and 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 March 31, 2019 & March 31, 2018 have been prepared in accordance with Ind AS.

##### **b) Use of Estimates:**

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities.

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.

##### **c) INDAS 115- "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.

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

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".

Income from duty draw back as well as other major items of income are accounted on accrual basis (depending on certainty of realization.) and are disclosed separately under the head "Other Income".

##### **d) INDAS 16- "Property, Plant and Equipment"**

###### **(i) Property, plant and equipment**

The Company has applied Ind AS 16 for all of its property, plant and equipment from 1 April 2017.

The initial cost of property, plant and equipment comprises 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.

Expenditure incurred after the property, plant and equipment have been put into operation, such as Repairs and maintenance are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

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.

**(i) 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.

**(ii) 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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**e) Depreciation / Amortisation :**

- (i) Depreciation on assets 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.

**The estimated useful lives of assets are as follows:**

- Buildings - 30-60 years
- Plant and equipments - 15-40 years
- Furniture and fixtures - 5-10 years
- Vehicles - 8-10 years
- Office equipment's - 5-8 years
- Computer - 3-5 years
- Laboratory Equipment - 10-15 years
- Electric Installation - 10-15 years
- Computer Software (Intangible Asset) - 3-5 years

**f) Inventories**

- i. Raw Materials and Packing Materials are valued 'Cost or Net Realizable Value whichever is lower' on FIFO basis. '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 Raw Material cost increased by a proportion of overheads in consonance with the stage of completion or net realizable value as certified by the management.
- 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.

**g) 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 and same are charged to Statement of Profit and Loss account.

**h) Investments**

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

**i) 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.

**j) 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. The value of obligation towards the same is 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.

**k) Borrowing Costs**

General or specific borrowing costs directly attributable to purchase / construction or production of qualifying assets are capitalized as part of the cost of that Fixed Asset. A qualifying asset is one that necessary 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 consist of interest and other cost that the company incurs in connection with the borrowing of funds.

**l) Taxes on Income**

- i. Provision for taxation for the year under report includes provision for current tax, unassessed liability of previous years income tax as well as provision for deferred tax.
- ii. Provision for Current tax is made, based on tax estimated to be payable as computed under the various provisions of the Income Tax Act, 1961.
- iii. 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.
- iv. Deferred Tax Liabilities / Assets are quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

**m) Impairment of Assets**

Assessment of Impairment of Assets ( Ind AS- 28 Impairment of Assets ) is done as at the Balance Sheet Date considering external and internal impairment indicators. If there is an indication that an asset may be impaired, its recoverable amount is estimated and the excess of carrying amount over recoverable amount is provided for as impairment loss.

**n) Leases**

Assets acquired on lease where significant portion of the risks and rewards of ownership are retained by the Lessor are classified as operation leases. Lease Rentals relating thereto are charged off to the Statement of Profit and Loss.



**o) 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.

**p) Changes in Accounting Policy**

Changes in Accounting Policies, having a material bearing on the financial affairs of the Company are disclosed separately along with the amount by which any item in the financial statements is affected by such change wherever same is available.

**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.

**f) 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.

**Statement Of Changes In Equity For The Period Ended 31st March, 2019****a. Equity Share Capital :**

<b>As At 31st March, 2018</b>	<b>1,20,00,000.00</b>
Changes in equity share capital	-
<b>As At 31st March, 2019</b>	<b>1,20,00,000.00</b>

**b. Other Equity :**

Particulars	Reserves and Surplus			
	General Reserve	Securities Premium Reserve	Retained Earnings	Total Equity
<b>As At 01 April, 2017</b>	<b>22,93,27,913</b>	<b>36,00,000</b>	<b>5,72,546</b>	<b>23,35,00,459</b>
Profit for the year	-	-	2,01,33,106	2,01,33,106
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 including dividend tax thereon	-	-	(21,66,438)	(21,66,438)
Depreciation consequent to revaluation adjusted	-	-	-	-
Remeasurement of the Net Defined benefit liability/asset, net of tax effect	-	-	-	-
Transfer to General Reserve	1,48,00,000	-	(1,48,00,000)	-
Transfer to PPE	-	-	-	-
<b>As at 31 March, 2018</b>	<b>24,41,27,913</b>	<b>36,00,000</b>	<b>37,39,214</b>	<b>25,14,67,127</b>
As At 01 April, 2018	24,41,27,913	36,00,000	37,39,214	25,14,67,127
Profit for the year	-	-	2,83,61,831	2,83,61,831
Other comprehensive income for the year	-	-	-	-
Dividends paid including dividend tax thereon	-	-	(21,69,996)	(21,69,996)
Depreciation consequent to revaluation adjusted	-	-	-	-
Remeasurement of the Net Defined benefit liability/asset, net of tax effect	-	-	-	-
Transfer to General Reserve	2,00,00,000	-	(2,00,00,000)	-
<b>As at 31 March,2019</b>	<b>26,41,27,913</b>	<b>36,00,000</b>	<b>99,31,049</b>	<b>27,76,58,962</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2019**
**3.1 PROPERTY, PLANT & EQUIPMENT**

Particulars	Land	Factory Building Saroda	Jarod New Building R&D	Tablet Building Jarod	Jarod Building Old	Antoophill Bombay
<b>Gross carrying amount</b>						
<b>Deemed cost As at 01-04-2017</b>	67,35,597	36,05,163	-	99,05,175	17,93,991	7,77,777
Additions	-	65,34,381	1,65,09,313	-	-	-
Disposals	-	-	-	-	-	-
Transfer from Revaluation Reserve	-	-	-	-	-	-
<b>Gross carrying amount As at 31-3-2018</b>	67,35,597	1,01,39,544	1,65,09,313	99,05,175	17,93,991	7,77,777
Additions	-	66,04,027	89,27,819	-	-	-
Disposals	-	-	-	-	-	-
Transfer from Revaluation Reserve	-	-	-	-	-	-
<b>Gross carrying amount As at 31-3-2019</b>	67,35,597	1,67,43,571	2,54,37,132	99,05,175	17,93,991	7,77,777
<b>Accumulated Depreciation:</b>						
<b>Accumulated Depreciation As at 01-04-17</b>	-	35,39,505	-	41,91,476	6,04,439	2,43,186
Charge for the period	-	6,509	41,537	3,50,585	57,154	33,844
Other Adjustments	-	-	-	-	-	-
<b>Closing accumulated depreciation As at 31-3-18</b>	-	35,46,014	41,537	45,42,061	6,61,593	2,77,030
Charge for the period	-	2,83,850	6,06,382	3,64,306	57,154	33,844
Other Adjustments	-	-	-	-	-	-
<b>Closing accumulated depreciation As at 31-3-2019</b>	-	38,29,864	6,47,919	49,06,367	7,18,747	3,10,874
<b>Net carrying amount:</b>						
<b>As at 31-03-2019</b>	67,35,597	1,29,13,707	2,47,89,213	49,98,808	10,75,244	4,66,903
<b>As at 31-03-2018</b>	67,35,597	65,93,530	1,64,67,776	53,63,114	11,32,398	5,00,747

Jarod Building No Project	Plant & Machinery	ETP Plant	Air Condition	AC+ Chiller Plant	Laboratory Instruments	Furniture & Fixtures	Computers	Electrical Installation	Vehicle Motor Car	Vehicle Scooter	Office Equipment	Total
9,61,02,112	5,19,72,379	14,86,630	93,39,890	3,77,38,096	94,85,741	76,87,024	66,21,535	1,30,10,669	52,03,001	69,400	3,79,383	26,19,13,563
-	31,96,072	85,400	58,74,621	-	3,33,200	19,66,161	-	10,57,978	29,69,039	-	1,28,656	3,86,54,821
-	-	-	-	-	-	-	-	-	10,32,663	-	-	10,32,663
9,61,02,112	5,51,68,451	15,72,030	1,52,14,511	3,77,38,096	98,18,941	96,53,185	66,21,535	1,40,68,647	71,39,377	69,400	5,08,039	29,95,35,721
-	2,06,62,055	-	68,07,095	-	31,24,648	13,32,032	6,19,886	7,85,280	29,92,532	-	1,86,647	5,20,42,021
-	-	-	-	-	-	-	-	-	-	-	-	-
9,61,02,112	7,58,30,506	15,72,030	2,20,21,606	3,77,38,096	1,29,43,589	1,09,85,217	72,41,421	1,48,53,927	1,01,31,909	69,400	6,94,686	35,15,77,742
-	-	-	-	-	-	-	-	-	-	-	-	-
1,21,80,694	2,07,56,095	2,86,924	50,23,320	65,57,012	62,54,424	54,02,457	61,69,958	44,20,187	37,71,793	58,996	1,33,481	7,95,93,947
31,16,953	29,01,377	99,328	10,97,782	26,58,688	7,82,700	4,08,547	3,69,301	14,03,892	4,88,753	6,951	78,775	1,39,02,676
-	-	-	-	-	-	-	-	-	-9,81,030	-	-	-9,81,030
1,52,97,647	2,36,57,472	3,86,252	61,21,102	92,15,700	70,37,124	58,11,004	65,39,259	58,24,079	32,79,516	65,947	2,12,256	9,25,15,593
31,16,952	37,31,861	1,01,506	14,59,152	28,58,688	6,82,015	5,10,057	63,510	14,45,825	7,00,636	-	1,08,301	1,59,24,039
-	-	-	-	-	-	-	-	-	-	-	-	-
1,84,14,599	2,73,89,333	4,87,758	75,80,254	1,18,74,388	77,19,139	63,21,061	66,02,769	72,69,904	39,80,152	65,947	3,20,557	10,84,39,632
-	-	-	-	-	-	-	-	-	-	-	-	-
7,76,87,513	4,84,41,173	10,84,272	1,44,41,352	2,58,63,708	52,24,450	46,64,156	6,38,652	75,84,023	61,51,757	3,453	3,74,129	24,31,38,110
-	-	-	-	-	-	-	-	-	-	-	-	-
8,08,04,465	3,15,10,979	11,85,778	90,93,409	2,85,22,396	27,81,817	38,42,181	82,276	82,44,568	38,59,861	3,453	2,95,783	20,70,20,128

**3.2 CAPITAL WORK-IN-PROGRESS**

Particulars	As at 31/03/2019	As at 31/03/2018
Capital Work in Progress-Gorwa		24,08,587
<b>Total</b>		<b>24,08,587</b>

**3.3 (C) INTANGIBLE ASSETS**

Particulars	Computer Software
<b>Gross carrying amount</b>	
<b>Deemed cost As at 01-04-2017</b>	<b>25,01,213.00</b>
Additions	58,400.00
Disposals	
Transfer from Revulation Reserve	<b>25,59,613.00</b>
<b>Gross carrying amount As at 31-03-2018</b>	<b>2,78,715.00</b>
Additions	
Disposals	
Transfer from Revulation Reserve	<b>28,38,328.00</b>
<b>Gross carrying amount As at 31-03-2019</b>	
<b>Accumulated Depreciation:</b>	
<b>Accumulated Depreciation As at 01-04-17</b>	<b>9,14,081</b>
Charge for the period	8,42,151.00
Other Adjustments	
<b>Closing accumulated depreciation As at 31-3-2018</b>	<b>17,56,232.00</b>
Charge for the period	3,54,326
Other Adjustments	
<b>Closing accumulated depreciation As at 31-03-2019</b>	<b>21,10,558.00</b>
<b>Net carrying amount:</b>	
<b>As at 31-03-2019</b>	<b>7,27,770.00</b>
<b>As at 31-03-2018</b>	<b>8,03,381.00</b>

- 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****Note 4.1 Investments Non Current**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Investments at fair value through other comprehensive income</b>		
<b>Investment in Equity Shares ( Non trade investment-Unquoted)</b>		
BIDC Shares (63 Shares OF Rs.1000 each)	63,000	63,000
<b>Total</b>	<b>63,000</b>	<b>63,000</b>

<b>Aggregate Value of unquoted investment</b>	63,000	63,000
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**Note-4.2 Loans**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Deposits</b>		
(a) Unsecured, considered good	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4.3 Other Non - Current Assets**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, considered good</b>		
Employee Gratuity Scheme	1,00,56,999	96,04,395
<b>Total</b>	<b>1,00,56,999</b>	<b>96,04,395</b>

**5. Inventories**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Inventories (lower of cost or net realisable value on FIFO)</b>		
Raw Materials	2,88,05,643	1,99,74,637
Packing Material	77,46,591	81,85,127
Work-in-Progress	38,58,157	68,96,880
Finished goods	2,74,17,182	4,18,43,936
<b>Total</b>	<b>6,78,27,573</b>	<b>7,69,00,580</b>

<b>Carrying amount of inventories (included in above) hypothecated to SBI</b>	1,89,07,989	2,20,71,442
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**6. Financial Assets****Note - 6.1 Investments**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Investments at fair value through profit or loss</b>		
Other Investment	-	-
	-	-
	-	-
<b>Total</b>	-	-

**Note - 6.2 Trade Receivables**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good	18,98,22,005	14,57,08,427
Unsecured, considered Doubtful	30,63,063	14,71,801
Doubtful debts		
Allowance for doubtful debts (Expected Credit Loss allowance)		
<b>Total</b>	<b>19,28,85,068</b>	<b>14,71,80,228</b>

Outstanding for a period exceeding Six Months	13,83,84,222	7,02,78,149
Others	5,14,37,783	7,54,30,277

Amount Outstanding in USD	13,66,310.00	11,76,709.27
Amount Outstanding in EURO	100.00	

The Management is in the opinion that the trade receivables outstanding for the period above six months are considered good except Rs. 30,63,063 has been provided for Bad & Doubtful Debts during the year.

Of the above, Trade receivables from related parties are as below:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total trade receivables from related parties	-	36,924
Loss allowances		
<b>Net trade receivables</b>		<b>36,924</b>

<b>Carrying amount of book debts (included in above) hypothicated to SBI</b>	<b>2,82,29,633</b>	<b>3,30,57,095</b>
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**Note - 6.3 Cash and cash equivalents**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balances with banks (a) In current accounts	28,42,618	2,65,06,383
Cash on Hand	15,037	45,468
<b>Total</b>	<b>28,57,655</b>	<b>2,65,51,851</b>

**Note - 6.4 Bank Balances other than (iii) above**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Other Bank Balances</b>		
(a) Balances held as Margin Money	17,85,619	16,89,239
(b) Balances held in unpaid dividend accounts	10,78,302	10,88,055
(c) Other Fixed Deposits with Bank (Less than 12 Months)	91,02,792	86,08,333
<b>Total</b>	<b>1,19,66,713</b>	<b>1,13,85,627</b>

**Note - 6.5 Loans**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, considered good</b>		
(a) Earnest Money Deposit	26,78,442	24,20,057
(b) Advances to Staff	23,800	36,500
<b>Total</b>	<b>27,02,242</b>	<b>24,56,557</b>

**Note - 6.6 Other Financial Assets**

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Accrued Interest Income	2,14,036	1,86,604
<b>Total</b>	<b>2,14,036</b>	<b>1,86,604</b>

**7. Other Current Assets**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, considered good</b>		
(a) Advances other than Capital Advances	15,03,890	77,43,697
(b) Prepaid expenses	14,41,612	8,66,354
(c) Balances with government authorities	1,84,18,056	1,03,90,929
(d) Other Advances	84,61,475	68,49,115
(e) Advance Incometaxes and refunds receivable	1,07,06,018	65,74,812
<b>Total</b>	<b>4,05,31,051</b>	<b>3,24,24,907</b>



**8. Share Capital****Authorised Equity Share Capital**

Particulars	No. of Shares	Amount
<b>As At 31 March, 2018</b>	<b>25,00,000</b>	<b>2,50,00,000</b>
Increase /(decreased) during the year	-	-
<b>As At 31 March, 2019</b>	<b>25,00,000</b>	<b>2,50,00,000</b>
Increase /(decreased) during the year	-	-

**Issued Equity Share Capital**

Particulars	No. of Shares	Amount
<b>As At 31 March, 2018</b>	<b>12,00,000</b>	<b>1,20,00,000</b>
Increase /(decreased) during the year	-	-
<b>As At 31 March, 2019</b>	<b>12,00,000</b>	<b>1,20,00,000</b>
Increase /(decreased) during the year	-	-

**b) Terms & Rights attached to each class of shares;**

The Company has only one class of equity shares having par value of 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.

**Shares held by shareholders each holding more than 5% of the shares**

Shareholders	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	Percentage	No. of shares	Percentage
<b>Equity shares with voting rights</b>				
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
Rajendra Ramanlal Shah	85,650	7.14	85,650	7.14
Janki Rajendra Shah Jt. Rajendra Ramanlal Shah	1,04,000	8.67	78,800	6.57
Dilipbhai Ramanlal Shah	59,850	4.99	59,850	4.99

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

Particulars	Equity Shares	
	Number	In Rs.
Shares at the beginning of the year	12,00,000	1,20,00,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>12,00,000</b>	<b>1,20,00,000</b>

**9. Other Equity**

Particulars	As at 31st March, 2019	As at 31st March, 2018
General Reserve	26,41,27,913	24,41,27,913
Securities Premium	36,00,000	36,00,000
Retained Earnings	99,31,049	37,39,214
<b>Total</b>	<b>27,76,58,962</b>	<b>25,14,67,127</b>

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>General Reserve</b> As per last Balance Sheet	26,41,27,913	24,41,27,913
<b>Securities Premium Reserve</b> As per last Balance Sheet	36,00,000	36,00,000
<b>Retained Earnings</b> Add: Profit/(Loss) for the year as per Statement of Profit and Loss	37,39,214 2,83,61,831	5,72,546 2,01,33,106
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	(2,00,00,000)	(1,48,00,000)
Dividends paid including dividend tax thereon	(21,69,996)	(21,66,438)
<b>Total</b>	<b>99,31,049</b>	<b>37,39,214</b>

**10. Provisions**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>a) Provision for employee benefits</b>		
Provision for Gratuity	88,97,115	85,33,126
Provision for Leave Encashment	19,95,082	16,41,159
<b>Total</b>	<b>1,08,92,197</b>	<b>1,01,74,285</b>

**11. Deferred Tax Liabilities (Net)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Asset		
Deferred Tax Liabilities	1,82,20,478	1,58,93,115
<b>Total</b>	<b>1,82,20,478</b>	<b>1,58,93,115</b>

**Deferred Tax (Asset) / Liabilities in relation to :**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Opening balance</b>	1,82,20,478	1,58,93,115
Loss allowances on trade receivables (Expected Credit Loss)		
Non deductible expenses for tax purpose		
Property, plant and equipment		
Investments carried at FVTPL		
<b>Total</b>	<b>1,82,20,478</b>	<b>1,58,93,115</b>
<b>Recognised in Profit or loss</b>		
Loss allowances on trade receivables (Expected Credit Loss)		
Non deductible expenses for tax purpose		
Property, plant and equipment		
Investments carried at FVTPL		
<b>Total</b>	<b>-</b>	<b>-</b>

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Recognised in Other comprehensive income</b>		
Investments carried at FVTOCI		
Remeasurement of Defined benefit plans (OCI)		
<b>Total</b>		
<b>Closing balance</b>	1,82,20,478	1,58,93,115
Loss allowances on trade receivables (Expected Credit Loss)		
Non deductible expenses for tax purpose		
Property, plant and equipment		
Investments carried at FVTOCI		
Remeasurement of Defined benefit plans (OCI)		
<b>Total</b>	<b>1,82,20,478</b>	<b>1,58,93,115</b>

**11.1 Borrowings**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Secured - at amortized cost</b>		
a) Loans repayable on demand		
- From banks (Cash Credit - against Hypothecation of Stocks and Book Debts)	1,63,10,059	3,98,01,120
- From banks (SLCA/c)	50,39,781	-
- From banks (EPC A/c)	2,00,03,284	-
- From banks Term loan	1,26,80,798	2,73,49,761
- SBI-Motorcar Loan A/c	20,18,804	9,79,928
<b>Unsecured</b>		
Fixed Deposits From Directors	-	2,77,99,911
Fixed Deposits From Members	2,89,62,717	10,17,753
<b>Total</b>	<b>8,50,15,443</b>	<b>9,69,48,473</b>

The State Bank of India has sanctioned various credit facilities which are as working capital finance & Export Credit facility which is secured by way of Equitable mortgage over factory, land & building at Vadodara & at Jarod, District Vadodara against the Hypothecation charged over Plant & Machinery at Baroda & Jarod. Further, charge is also created on stock of inventories & book-debts of the company & Equitable mortgage over factory land & building of Mercury Antibiotics Pvt. Ltd. The Directors Rajendra Shah & Dilip Shah have given Personal Guarantees to the Bank. Mercury Antibiotics Pvt. Ltd has also given the Corporate Guarantee in favour of the Bank. The rate of Interest for working capital finance is 9.55% p.a.

The amount taken as deposits from directors and members are unsecured and are for the period of 36 months. Interest on unsecured deposits has been paid at the rate of 8%.

**12. Trade Payables**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total outstanding dues to Micro and Small enterprise Trade Payables	14,64,507	5,18,459
	11,52,04,320	8,85,17,415
<b>Total</b>	<b>11,66,68,827</b>	<b>8,90,35,874</b>

**NOTE :** Refer Note No. 39

**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.

**13. Other Financial Liabilities**

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Current Maturities On Long Term Debt	1,05,54,072	6,94,008
(b) Unpaid Dividends	10,78,302	10,88,055
(c) Security Deposits	1,12,93,362	1,09,59,835
(d) Other Expenses Payable	84,67,011	1,09,64,469
<b>Total</b>	<b>3,13,92,747</b>	<b>2,37,06,367</b>

**14. Other Current Liabilities**

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Advance's from Customers	20,54,608	57,65,742
(b) Statutory Liabilities	6,45,136	2,99,627
(C) Others Current Liability	89,72,803	59,37,235
<b>Total</b>	<b>1,16,72,547</b>	<b>1,20,02,604</b>

**14.1 Provisions**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>a) Provision - Others</b>		
(I) Provision for Proposed Dividend	-	-
(ii) Provision for Corporate Dividend Tax	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**15 Current Tax Liabilities (Net)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for Current Taxation	94,49,016	57,58,000
<b>Total</b>	<b>94,49,016</b>	<b>57,58,000</b>

**16 Revenue from Operations**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Sale of Products</b>		
- Domestic Sales	40,71,96,062	42,98,84,385
- Export Sales	14,80,13,717	9,41,61,903
<b>Total</b>	<b>55,52,09,779</b>	<b>52,40,46,288</b>

Details of Product Sold	As at 31st March, 2019	As at 31st March, 2018
<b>Sale of products comprises:</b>		
Gravidol Tab.	3,47,65,103	3,94,26,794
K-Stat 500 Tab.	2,46,92,757	2,58,36,620
K-Stat 250 Tab.	1,74,83,949	1,91,47,198
Tricom Tab.	3,56,95,611	-
Tricom Suspension	2,53,76,386	-
K-STAT 2ML	1,82,00,606	-
Ibuprofen Paracetamol Tab	-	4,85,13,934
K-Win Inj.	-	1,57,85,632
Others	39,89,95,367	37,53,36,110
<b>Total</b>	<b>55,52,09,779</b>	<b>52,40,46,288</b>

**17. Other Income**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>a) Interest Income</b> Interest income earned on financial asset that are not designated as fair value through profit and loss:		
i) Interest Income	6,89,010	8,20,015
<b>b) Other Non operating income (net of expenses directly attributable to such income)</b>		
i) Non operating income	97,50,001	34,24,222
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	-	-
<b>Total</b>	<b>1,04,39,011</b>	<b>42,44,237</b>

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Interest income comprises:</b>		
Interest from Banks on deposits	6,89,010	8,20,015
<b>Total - Interest Income</b>	<b>6,89,010</b>	<b>8,20,015</b>

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Other non-operating income comprises:</b>		
Duty Drawback / Advance License / MEIS License	37,06,741	27,69,284
Profit On Sales Of Asset	-	3,28,367
Insurance Claim Received	4,98,042	-
Miscellaneous Income	10,31,295	7,03,595
Exchange rate difference	45,13,923	(3,77,024)
<b>Total - Other non-operating income</b>	<b>97,50,001</b>	<b>34,24,222</b>

**18. Cost of Material Consumed**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Stock	1,99,74,637	2,30,75,878
Add: Purchases	16,65,78,623	14,63,56,607
	<b>18,65,53,260</b>	<b>16,94,32,485</b>
Less: Sale of Raw Material	-	-
Less: Closing Stock	2,88,05,643	1,99,74,637
Raw Material Consumed	<b>15,77,47,617</b>	<b>14,94,57,848</b>
Packing Material Consumed	6,77,19,037	7,61,36,398
Consumable Store and Spares	78,74,889	40,02,285
<b>Total</b>	<b>23,33,41,543</b>	<b>22,95,96,531</b>

Details of Raw Materials Consumed	As at 31st March, 2019	As at 31st March, 2018
Tranexamic Acid	1,05,58,176	1,48,71,544
Metronidazole	1,31,03,149	81,50,447
Ibuprofen	1,27,47,982	3,78,82,925
Sulphamethoxazole IP	2,33,42,215	-
Trimethoprim IP	99,06,272	-
Prednisolone	-	41,42,325
Paracetamol	-	1,15,26,215
Other	8,80,89,823	7,28,84,392
<b>Total</b>	<b>15,77,47,617</b>	<b>14,94,57,848</b>

**19. Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Inventories at the end of the year : (At Cost or Net Realisable Value which ever is lower )		
Finished Goods	2,74,17,182	4,18,43,936
Traded Goods	-	-
Work In Progress	38,58,157	68,96,880
	<b>3,12,75,339</b>	<b>4,87,40,816</b>
Inventories at the beginning of the year : (At Cost or Net Realisable Value which ever is lower)		
Finished Goods	4,18,43,936	3,22,94,655
Traded Goods	-	-
Work In Progress	68,96,880	52,28,340
	<b>4,87,40,816</b>	<b>3,75,22,995</b>
<b>Net (increase) / decrease</b>	<b>1,74,65,477</b>	<b>(1,12,17,821)</b>
Differential Excise Duty on Opening & Closing Stock of Finished Goods	-	-
<b>Net Changes in Inventories of Finished Goods</b>	<b>1,74,65,477</b>	<b>(1,12,17,821)</b>

**20. Employee benefits expense**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Salaries, Wages and Bonus & other allowances	7,09,62,744	6,64,06,673
Contributions to Provident Fund and Other Funds	44,52,114	41,97,744
Gratuity Expenses	2,40,386	6,03,341
Staff Welfare Expenses	26,10,236	21,44,721
<b>Total</b>	<b>7,82,65,480</b>	<b>7,33,52,479</b>

**21. Finance costs**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest expense on:		
(i) Borrowings	68,81,317	47,16,185
(ii) Bank charges & Others	40,00,002	43,53,124
<b>Total</b>	<b>1,08,81,319</b>	<b>90,69,309</b>

**22. Other Expenses**

Particulars	For the period ended 31st March, 2019		For the period ended 31st March, 2018	
Power and Fuel		1,30,32,011		1,23,49,062
Analytical & Testing Expense		16,60,497		14,96,068
Laboratory Expenses		27,48,260		10,63,351
Calibration Charges		2,50,323		91,704
Manufacturing Processing cost		50,77,461		56,15,839
Product Development Expense		11,35,288		
Repairs & Maintenance:		87,66,733		66,35,932
Building	23,94,874		18,32,790	
Plant & Machinery	32,67,793		27,31,367	
Others	31,04,066		20,71,775	
Research & Development Expense		1,60,443		6,56,580
Electrical Expense		52,297		13,057
Directors sitting fees		94,500		1,01,000
Printing & Stationary Expense		13,91,532		9,54,915
Rent, Rates and Taxes		60,49,464		59,50,144
Inspection Fees		10,97,093		2,400
Insurance		6,52,571		5,28,964
Legal and Professional Fees		65,77,620		75,81,716
Security charges		10,18,408		4,20,383
Bad & Doubtful debt		37,24,958		7,80,231
Payments to Auditors		2,00,000		1,50,000
Travelling Expense		4,28,64,626		3,89,68,593
Commission & Brokerage		1,08,34,959		1,47,68,532
Computer Main. Exp.		7,87,584		5,40,586
Donation		12,50,000		12,83,570
Motor Car & Scooter Exp.		7,21,316		3,51,899
Postage & Courier		8,17,902		11,11,292
Telephone Exp.		5,48,766		8,64,761
Fumication Charges		1,17,786		1,19,680
Duties & Taxes		1,66,278		24,44,964
Penalty		-		2,662
Other Expense		2,91,935		6,03,770
Selling Exp.		1,97,83,450		3,36,88,945
Packing & Forwarding Exp.		1,78,46,794		1,46,66,147
Loss On Expiry, Spoilage & Breakage		65,83,746		9074273
<b>Total</b>		<b>15,63,04,601</b>		<b>16,28,81,020</b>

**23. C.I.F. Value of Imports :**

Particulars	31/03/2019 (Rs.)	31/03/2018 (Rs.)
Raw Materials	1,06,31,024	73,51,663
<b>TOTAL Rs.</b>	<b>1,06,31,024</b>	<b>73,51,663</b>

**24. Expenditure in Foreign Currency :-**

Particulars	31/03/2019 (Rs.)	31/03/2018 (Rs.)
Foreign Travel	4,37,483	8,75,438
<b>TOTAL Rs.</b>	<b>4,37,483</b>	<b>8,75,438</b>

25. 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.
26. 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.
27. **Contingent Liabilities And Commitments :**

Particulars	31/03/2019 (Rs.)	31/03/2018 (Rs.)
<b>Contingent Liabilities</b>		
Claims against the Company not acknowledged as debt	-	11,47,688
Guarantees (Bank Guarantee)**	1,14,59,826	1,00,36,089
LC on Import Purchase	-	-
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.	-	-
<b>TOTAL RS.</b>	<b>1,14,59,826</b>	<b>1,11,83,777</b>
<b>Commitments</b>		
Estimated amounts of contracts remaining to be executed on capital account and not provided for	-	61,82,164
Uncalled liability on shares or investments partly paid	-	-
Other Commitments.	-	-
<b>TOTAL RS.</b>	<b>-</b>	<b>61,82,164</b>

Legal Case filed against company by its creditors - Rs. Nil

Bank Guarantees outstanding as on 31st March, 2019, amounted to Rs.78,89,015/- (p.y. Rs.1,00,36,089/-) against which the company has kept the Margin Money Deposits worth Rs 17,85,619/- (p.y. Rs.16,89,239/-).\*\* An amount of Rs. 35,70,811.46 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.

**28. Earnings in Foreign Currency :**

Particulars	31/03/2019 (Rs.)	31/03/2018 (Rs.)
Country wise Breakup of Export Goods (in Rs.)	14,80,13,717	9,41,61,903
<b>Country</b>	<b>2018-19</b>	<b>2017-18</b>
SWAZILAND	254826	34830
CONGO	31818071	14997720
GHANA	1467635	1485900
MOZAMBIC	85874041	36445308
MYANMAR	3287816	23083911
NIGERIA	0	1194473
PHILIPINES	6400331	5310112
SRILANKA	0	4655877
LONDON	2369330	222375
CAMBODIA	33,02,974	67,31,398
TAJIKISTAN	5,85,000	-
AFGHANISTAN	82,51,747	-
CHICAGO	44,01,946	-



## 29. 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.

## 30. Lease Commitments

Particulars	31/03/2019 (Rs.)	31/03/2018 (Rs.)
Lease Payments recognized in the Statement of Profit and Loss	64,29,300	61,66,215
<b>TOTAL Rs.</b>	<b>64,29,300</b>	<b>61,66,215</b>

## 31. 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 BIDD 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. 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 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).

## 32. Particulars of Unhedged Foreign Currency Exposure :

Particulars	31/03/2019 (Rs.)	31/03/2018 (Rs.)
Sundry Debtors	11,68,90,290	7,26,71,828
<b>TOTAL Rs.</b>	<b>11,68,90,290</b>	<b>7,26,71,828</b>

### 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 & deploys a robust cash management system. It maintains adequate sources of financing at an optimised cost.

**33. 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

Particulars	31/03/2019 (Rs.)	31/03/2018 (Rs.)
Remuneration	16,80,000	16,80,000
Perquisites	5,01,181	3,63,187

**34. Auditors' Remuneration**

Particulars	31/03/2019 (Rs.)	31/03/2018 (Rs.)
As Auditors	2,00,000	1,50,000
	<b>2,00,000</b>	<b>1,50,000</b>

**35. Post Employment Benefits :-**

Provident Fund dues amounting to 53,68,927/- and ESI dues amounting to 16,12,551/- paid during the year being defined contributions have been charged to the Profit and Loss Account.

No Provision for Short Term Compensated absences is required as at the year end as per the policy of the Management.

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 10 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.

**Method Used****Projected Unit Credit Method****Actuarial Assumptions Used**

LIC (1994-96)

Mortality Rate

7.50%

Discount Rate

8.00%

Expected Return on Plan Assets

7.00%

Salary Escalation Rate

**Major Categories of Plan Assets**

Insurer Managed Funds – 100%

Change in Present Value of Defined Benefit Obligation	31st, March 2019	31st, March, 2018
Present Value of Obligations as at the beginning of the Year	85,33,126	78,48,664
Interest Cost	6,82,650	6,27,893
Current Cost	8,58,846	7,27,798
Benefits Paid	(4,24,750)	(4,98,855)
Actuarial (gains) / losses on obligation	(7,52,757)	(1,72,374)
<b>Present Value of Obligations as at the end of the Year</b>	<b>88,97,115</b>	<b>85,33,126</b>
<b>Change in Fair Value of Plan Assets</b>		
Fair Value of Plan Assets as at the beginning of the Year	96,04,395	87,72,526
Expected Return on Plan Assets	7,40,910	6,85,679
Contributions	1,36,444	6,45,045
Benefits Paid	(4,24,750)	(4,98,855)
Actuarial (gains) / losses on Plan Assets	Nil	Nil
<b>Fair Value of Plan Assets as at the end of the Year</b>	<b>1,00,56,999</b>	<b>96,04,395</b>

<b>Defined Benefit Obligation as recognized in Balance Sheet</b>		
Present Value of Obligations as at the Year end	88,97,115	85,33,126
Unrecognised Past Service Cost	Nil	Nil
Fair Value of Plan Assets as at the Year end	1,00,56,999	96,04,395
<b>Net (Asset) / Liability recognized in Balance Sheet</b>	<b>(11,59,884)</b>	<b>(10,71,269)</b>
<b>Net Gratuity Benefit Expenditure Recognised in P&amp;L Account</b>		
Current Service Cost	8,58,846	7,27,798
Interest Cost	6,82,650	6,27,893
Expected Return on Plan Assets	(7,40,910)	(6,85,679)
Net Actuarial (Gain) / Loss Recognised in the Year	(7,52,757)	(1,72,374)
<b>Net Expense Recognised in Statement of Profit &amp; loss</b>	<b>47,829</b>	<b>4,97,638</b>

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 2018-19**

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 Rs. 10,00,000)

**36. 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

**List of Related Parties**

<b>Name of Related Parties</b>	<b>Nature of Relationship</b>
R .R. Shah	Managing Director
D.R. Shah	Director
Paresh Mistry	Director
Mercury Antibiotics Pvt. Ltd.	An enterprise Managed by the Relatives 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 Directors are Partner
Divyakant Zaveri	Independent Director

Name of Related Parties	Nature of Relationship
Poornima D. Karvat	Independent Director
Bharat Mehta	Independent Director
Dilip R. Shah (H.U.F.)	Relative of Director
Kaumudiniben R. Shah	Relative of Director
Kishoriben D. Shah	Relative of Director
R. R. Shah (H.U.F)	Relative of Director
Adit D. Shah	Relative of Director
Janki R. shah	Relative of Director
Saurabh Mittal	Relative of Director
Payal Doshi	CFO
Mukesh Khanna	Company Secretary

**(b) Transactions with Related Parties**

Name of Related Party	Nature of Transaction	31/03/2019 (Rs.)	31/03/2018 (Rs.)
R .R. Shah	Remuneration	16,80,000	16,80,000
	Perquisites	5,01,181	3,63,187
	Deposit Received	10,00,000	36,29,789
	Deposit Paid	1,45,82,447	-
	Interest on Deposit	8,44,375	7,94,483
D.R. Shah	Interest on Deposit	8,48,055	4,75,756
	Director Fees	5,000	-
	Deposit Received	-	1,01,65,000
	Deposit Paid	1,42,17,464	12,90,631
Paresh Mistry	Remuneration	8,49,240	7,77,240
	Director Fees	17,500	5,000
Divyakant Zaveri	Director Fees	36,000	44,000
	Remuneration	75,000	-
Poomima D Karvat	Director Fees	18,500	44,000
Bharat Mehta	Director Fees	17,500	8,000
Mercury Antibiotics Pvt. Ltd.	Lease Rent	63,72,000	63,31,500
JAS Healthcare Inc.	Sales	44,01,945	-
JAS Healthcare Inc.	Advance Recd. Agst Sales	-	4,35,276
Mercury Marketing & Consulting Services	Consultancy Services	35,40,000	33,45,000
Bio- Med India	Sales Advance received	90,000	5,99,000
Kaumudiniben R. Shah	Interest on Deposit	1,21,446	2,36,449
	Deposit received	50,00,000	-
	Deposit Paid	17,753	22,05,923
	Deposit Paid	10,00,000	21,50,000
R.R. Shah( H.U.F)	Interest on Deposit	98,630	47,299
	Deposit received	50,00,000	-
	Deposit Paid	-	6,61,540
D.R. Shah( H.U.F)	Interest on Deposit	1,97,260	3,57,632
	Deposit received	1,00,00,000	-
	Deposit Paid	-	49,86,992
Adit D. Shah	Interest on Deposit	80,284	-
	Deposit received	40,70,000	-
	Deposit Paid	-	41,37,168
Janki r shah	Interest on Deposit	86,547	72,768
	Deposit received	43,87,500	-
	Deposit Paid	-	10,17,753
Saurabh Mittal	Remuneration	2,44,022	-
Payal Doshi	Remuneration	6,10,152	4,08,158
Mukesh Khanna	Remuneration	90,000	90,000

**(c) Balance with related parties**

Name of Related Party	Nature of Transaction	31/03/2019 (Rs.)	31/03/2018 (Rs.)
Mr. R.R. Shah	Fixed Deposit	-	1,35,82,447
Mr. D.R. Shah	Fixed Deposit	-	1,42,17,464
Mercury Antibiotics Pvt. Ltd.	Leasr Rent	1,86,29,264	1,38,47,264
JAS Healthcare Inc.	Advance Recd.Agst Sales	3,77,624	4,35,276
Bio- Med India	Sales	53,075	(36,924)
Mercury Marketing & Consulting Services	Consultancy Services	29,80,740	21,15,740
Kaumudiniben R. Shah	Fixed Deposit	50,88,767	10,17,753
R.R. Shah( H.U.F)	Fixed Deposit	50,88,767	-
D.R. Shah( H.U.F)	Fixed Deposit	1,01,77,534	-
Adit D. Shah	Fixed Deposit	41,42,256	-
Janki R shah	Fixed Deposit	44,65,393	-

**37. Earnings Per Share in line with accounting standard 20 the earnings per share details are given below:-**

Particulars		31/03/2019 (Rs.)	31/03/2018 (Rs.)
Profit After Taxation	Rs.	2,83,61,831	2,01,33,106
Weighted Average Number of Equity Shares	Nos.	12,00,000	12,00,000
Nominal Value of Shares	Rs.	1,20,00,000	1,20,00,000
Earnings Per Share	Rs.	23.63	16.78

**38. 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.

**39. Dues to Micro & Small Enterprises**

The dues to Micro & Small Enterprises as required under the Micro, Small and Medium Enterprise Development Act, 2006 to the extent information available with the company is given below

Particulars	31/03/2019 (Rs.)	31/03/2018 (Rs.)
a) The principal amount remaining unpaid to any supplier at the end of the year	14,64,507	5,18,459
b) Interest due remainig 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 yeard) 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 reminging unpaid at the end of each accounting year.	74,119	-
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.	-	-

40. There are no amounts pending to be transferred to the Investors Education and Protection Fund as at the end of the year.
41. The figures in respect of previous year have been re-grouped / recast wherever necessary to confirm to the current year's classification.

**Signature to notes 1 to 41**

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

**CA N. R. Dholakia**  
**Partner**  
**M. No. 037350**  
**Place : Vadodara**  
**Date : May 29, 2019**

**For and behalf of the Board**  
**Mercury Laboratories Ltd.**

**Rajendra R. Shah**  
**Chairman & MD**  
**DIN : 00257253**

**Payal Doshi**  
**Chief Financial Officer**  
**Place : Vadodara**  
**Date : May 29, 2019**

**Paresh J. Mistry**  
**Director**  
**DIN : 07893654**

**Mukesh Khanna**  
**Company Secretary**

Dear Members,

**Subject: Dematerialization of Shares & Unpaid Dividend**

We have pleasure to inform you that National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have allotted ISIN No INE947G01011 to the Equity Shares of the Company.

As you are aware that shares held in demat would not only be convenient in holding but also facilitate you in dealing with the shares of the Company. We therefore recommend and request you to take the advantage of Demat of Shares.

**BSE has issued a Circular to Listed Companies on July 05, 2018 informing about amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only. As per circular, physical transfer of securities will not be permitted after March 31, 2019.**

Accordingly If you are still holding your shares of the Company in physical form, we request you to get the physical shares dematerializes through your Depository Participant. In case of any assistance you may contact to Company's Registrar and Share Transfer Agent M/s. Link Intime India Private Limited them at any of the following address:

<p><b>Link Intime India Private Limited</b> B-102 &amp; 103, Shangrila Complex, 1st Floor, Opp HDFC Bank, Nr. Radha Krishna Char Rasta, Akota, Vadodara - 390 020 Phone: + 91 265 2356579 - 2356794 E-mail: alpesh.gandhi@linkintime.co.in</p>	<p><b>Link Intime India Private Limited</b> C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Phone : +91 22 49186270, Fax : +91 22 49186060.</p>
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If there is a change of your address, please write us to register the same to help us to serve you better.

Further in case you have not received any dividend declared by the Company for any of past financial years, from 2012 – 2013, till the last year, you may write to the secretarial department of the company at Baroda for the same for the payment.

You may also write about any of queries to our secretarial department of the Company at Baroda.

Thanking you and assuring our best services at all times.

**For Mercury Laboratories Limited**

**Rajendra R. Shah**  
**Managing Director**

To,  
 Link Intime India Pvt. Ltd.  
**Unit: Mercury Laboratories Limited**  
 102 & 103, Shangrila Complex  
 1st Floor, Opp. HDFC Bank,  
 Near Radhakrishna Char Rasta,  
 Akota, Vadodara - 390 020.

**Dear Sir / Madam**

**Subject : Updation of Shareholder Information**

I / We request you to record the following information against my / our Folio No.:

**General Information:**

Folio No.:	
Name of the first named Shareholder:	
PAN:	
*CIN / Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

Self attested copy of the document(s) enclosed

**Bank Details:**

IFSC (11 Digit) :	
MICR (9 Digit) :	
Bank A/c Type :	
*Bank A/c No. :	
Name of the Bank :	
Bank Branch Address :	

\* A blank cancelled cheque is enclosed to enable verification of bank details

I / We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I / we would not hold the Company / RTA responsible. I / We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I / We understand that the above details shall be maintained till I / we hold the securities under the above mentioned Folio No. / beneficiary account.

Place :

Date :

\_\_\_\_\_  
 Signature of Sole / First Holder



**MERCURY LABORATORIES LIMITED**

CIN : L74239MH1982PLC026341

Regd. Office : 1st Floor, 18, Shreeji Bhuvan, 51, Mangaldas Road, Princes Street, Mumbai - 400 002.

Telephone : 022-66372841. E-mail : [secretarial@mercurylabs.com](mailto:secretarial@mercurylabs.com)website : [www.mercurylabs.com](http://www.mercurylabs.com)**Form MGT 11****Proxy Form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rule, 2014]

**Venue of Meeting :** Electric Merchants' Association Hall, Shreeji Bhuvan, Room No. 12,  
2nd Floor, 51 Mangaldas Road, Lohar Chawl, Mumbai -400 002.**Day, Date & Time :** Saturday, September 28, 2019 at 11:30 a.m.

<b>Name of Members</b>	
<b>Registered Address</b>	
<b>No. of Shares held</b>	
<b>Folio No./DP Id &amp; Client ID</b>	
<b>Joint Holder(s)</b>	
<b>Email id</b>	

I/We \_\_\_\_\_ of \_\_\_\_\_ of being member / members of Mercury Laboratories Limited hereby appoint the following as my / our proxy to attend and vote on a poll (for me/our behalf at the 38<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, September 28, 2019 at 11:30 a.m. and at any adjournment thereof) in respect of such resolutions as are indicated below:

- Name : \_\_\_\_\_ Registered Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_  
or failing him / her
- Name : \_\_\_\_\_ Registered Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_  
or failing him / her
- Name : \_\_\_\_\_ Registered Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_

Resolution No.	Resolution	No. of Shares held	Optional*	
			For	Against
<b>Ordinary Business</b>				
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended on March 31, 2019 together with the reports of the Board of Directors and the Independent Auditors thereon			
2.	To declare dividend			
3.	To appoint a director in place of Mr. Paresh Jagdishbhai Mistry (DIN- 07893654) who retires by rotation, being eligible, offers himself for re-appointment.			

Resolution No.	Resolution	No. of Shares held	Optional*	
			For	Against
<b>Special Business</b>				
4.	Re-appointment of Mr. Divyakant Ramniklal Zaveri (DIN: 01382184) as an Independent Non-Executive Director of the Company			
5.	Re-appointment of Mr. Bharat Dhirajlal Mehta (DIN: 07180906) as an Independent Non-Executive Director of the Company			
6.	Payment of Managerial Remuneration under Section 197 of the Companies Act, 2013			
7.	Payment of remuneration to Non-Executive Directors			
8.	Approval for proposed remuneration to Mr. Rajendra R Shah, Managing Director & Promoter of the Company			
9.	Ratification of Remuneration payable to the Cost Auditor for Financial Year 2019-2020			

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

**Signature of Shareholder**

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting
2. Proxy need not be a member of the Company
3. In case of Joint Holders, the vote of the senior who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. \*It is optional to put "X" in the appropriate column against the resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any resolutions or all resolutions, your proxy will be entitle to vote in the manned as he / she thinks appropriate.

Affix one  
Rupee  
Revenue  
Stamp

**MERCURY LABORATORIES LIMITED****CIN : L74239MH1982PLC026341**

Regd. Office : 1st Floor, 18, Shreeji Bhuvan, 51, Mangaldas Road, Princes Street, Mumbai - 400 002.

Telephone : 022-66372841. E-mail : [secretarial@mercurylabs.com](mailto:secretarial@mercurylabs.com)website : [www.mercurylabs.com](http://www.mercurylabs.com)**Attendance Slip for 38<sup>th</sup> Annual General Meeting**

<b>Registered Folio / DP ID &amp; Client ID</b>		
<b>No. of Shares</b>		
<b>Name and Address of the Shareholder(s):</b>		
<b>Joint Holder(s):</b>		
I/We hereby record my / our presence at the 38 <sup>th</sup> Annual General Meeting of the Company being held on Saturday, September 28, 2019 at 11:30 a.m. Noon at Electric Merchants' Association Hall, Shreeji Bhuvan, Room No. 12, 2 <sup>nd</sup> Floor, 51 Mangaldas Road, Lohar Chawl, Mumbai – 400 002.		
<b>If Shareholder(s), please sign here</b>	<b>If Proxy, please mention name and sign here</b>	
	<b>Name of the Proxy</b>	<b>Signature</b>
<b>Note : Please sign this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL</b>		

**ELECTRONIC VOTING PARTICULARS**

<b>Electronic Voting Sequence Number (EVSN)</b>	<b>User ID</b> ----	<b>*Default PAN</b> ----

\*Only Members who have not updated their PAN with the Company / Depository Participants shall use default PAN in the PAN Field.

**Note: Please read the instructions for e-voting given along with Notice of the 38<sup>th</sup> Annual General Meeting. The Voting Period starts from Wednesday, September 25, 2019 (9:00 a.m.) and ends on Friday, September 27, 2019 (5:00 p.m.)**



# NOTES

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Mumbai Central, Mumbai, Maharashtra to The Electric Merchants Association 11:41 AM - 12:05 PM (24 min)  
Electric Merchants Association

