



**Date: 8<sup>th</sup> September, 2023**

To,  
Department of Corporate Services  
BSE Limited  
PhirozeJeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

**(Script Code: 542771)**

Dear Sir/Madam,

**Subject: Annual Report of the Company for the F.Y. 2022-23**

**Ref: Compliance to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

The 12<sup>th</sup> Annual General Meeting of the company is scheduled to be held on Saturday, September 30, 2023 at 2:30 p.m. (IST) at 1026, Dev Atelier, Opp. Dev Auram, Anandnagar Cross Road, 100 Feet Ring Road, Prahladnagar, Ahmedabad- 380015

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the company for the F.Y. 2022-23.

The Record Date for the purpose of determining the eligibility of the Members to attend the 12<sup>th</sup> Annual General Meeting of Company will be Saturday, 22<sup>nd</sup> September, 2023.

There being no physical shareholders in the Company, the Register of members and share transfer books of the Company will not be closed.

Please take same on your record and oblige.

Thanking you,

Yours faithfully,

**For, NOVATEOR RESEARCH LABORATORIES LIMITED**

**Navdeep Mehta**  
**Managing Director**  
**DIN 03441623**

**Encl: As annexure**



# NOVATEOR RESEARCH LABORATORIES LIMITED

12TH ANNUAL REPORT - 2022-23

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

NAME	DESIGNATION
Mr. Navdeep Subhashbhai Mehta	Managing Director
Mrs. Tejal Navdeep Mehta	Whole Time Director & Woman Director
Mr. Jitin Jaysukh Doshi	Non-Executive Director
Mr. Chintan Pankaj Shah	Non-Executive Independent Director
Mr. Sindhav Vipulbhai	Non-Executive Independent Director
Mr. Anand Rajendra Shah	Non-Executive Independent Director
Mr. Bhavya Himansu Doshi	Additional Non-Executive Independent Director

### KEY MANAGERIAL PERSONNEL

NAME	DESIGNATION
Mr. Navdeep Subhashbhai Mehta	Managing Director & Chief Financial Officer
Mrs. Tejal Navdeep Mehta	Whole Time Director & Woman Director

### AUDIT COMMITTEE

NAME	DESIGNATION	NAME	DESIGNATION
Mr. Chintan Pankaj Shah	Chairman	Mr. Anand Rajendra Shah	Chairman
Mr. Anand Rajendra Shah	Member	Mr. Chintan Pankaj Shah	Member
Mr. Navdeep Subhashbhai Mehta	Member	Mr. Navdeep Subhashbhai Mehta	Member

### STAKEHOLDER'S RELATIONSHIP COMMITTEE

NAME	DESIGNATION
Mr. Anand Rajendra Shah	Chairman
Mr. Chintan Pankaj Shah	Member
Mr. Navdeep Subhashbhai Mehta	Member

### NOMINATION & REMUNERATION COMMITTEE

NAME	DESIGNATION
Mr. Anand Rajendra Shah	Chairman
Mr. Chintan Pankaj Shah	Member
Mr. Sindhav Vipulbhai	Member

### REGISTERED OFFICE

1026, Dev Atelier, Opp. Dev Auram, Anandnagar Cross Road, 100 Feet Ring Road, Prahladnagar, Ahmedabad- 380015, Gujarat  
Email: [compliancenovateor@gmail.com](mailto:compliancenovateor@gmail.com) Website: [www.novateor.com](http://www.novateor.com)  
Phone: +91 79 - 4039 5888

### PLANT LOCATION

Plot No.: PE- 11, Sanand-II, GIDC Industrial Estate, Road No. 38, PO: Bol Village, Rasulpura, Taluka; Sanand, Ahmedabad- 382170, Gujarat, India

### STATUTORY AUDITOR

M/S. V.J. Maru & Associates, Chartered Accountants  
Santhali (Nani), Post- via Vadia, Taluka- Vadia, Dis: Amreli- 385480, Gujarat.  
Email: [maru.vanraj@gmail.com](mailto:maru.vanraj@gmail.com)

### SECRETARIAL AUDITOR

Mr. Mehul Raval, Practicing Company Secretary  
406, Ganesh Plaza, Opp. Swaminarayan Avenue, Anjali Vasna Road, Anjali, Ahmedabad - 380007, Gujarat, India  
Email: [mehulkraval@gmail.com](mailto:mehulkraval@gmail.com)

**REGISTRAR & SHARE TRANSFER AGENT**

**KFin Technologies Private Limited**

Selenium Tower B, Plot Nos. 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad 50032, India

**Tel. Number:**+91 4067162222/1595

**Email:**umesh.pandey@kfintech.com, einward.ris@kfintech.com

**Web:**www.kfintech.com

**BANKERS TO THE COMPANY**

**The Cosmos Cooperative Bank Limited**

Shop No.: 3, Ground Floor, Olive Arcade, Off C G Road, Classic Gold Hotel Road, Navrangpura, Ahmedabad- 380009, Gujarat, India

**Central Bank of India**

Mithakhali Branch, Near Mahila Police Station, Mithakhali Six Road, Mithakhali, Navarangpura, Ahmedabad, Gujarat-380009

**IDFC First Bank**

Shop No 3, Ground Floor, Vrushakruti 100 TP Road, Shyamal Cross Rd, Ahmedabad, Gujarat 380015

**The Kalupur Commercial Co-Op Bank Ltd**

Nr. Kharid Vechan Sangh, nalsarovar Cross Road, Sanand, Ahmedabad- 382110

## NOTICE OF 12<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twelfth (12<sup>th</sup>) Annual General Meeting (AGM) of the Members of Novateor Research Laboratories Limited will be held on Saturday, 30<sup>th</sup> September, 2023 at 2:30 P.M. IST at 1026, Dev Atelier, Opp. Dev Aurum, Anandnagar Cross Road, 100 Feet Ring Road, Prahladnagar, Ahmedabad- 380015

### ORDINARY BUSINESSES:

#### 1. Adoption of Financial Statements:

To consider and adopt the Audited Financial Statement of the Company including the Audited Balance Sheet for the Financial year ended on 31<sup>st</sup> March, 2023, the Statement of Profit and Loss and the Cash flow statement for the year end on that date and the report of the Board of Directors and Auditors thereon; and

*In this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution;*

“RESOLVED THAT the audited financial statement of the Company for the financial year ended on 31<sup>st</sup> March, 2023, the Statement of Profit and Loss and the Cash flow statement for the year end on that date and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

#### 2. Re-Appointment of Mr. Jitin Jaysukh Doshi (DIN: 07325340) as director liable to retire by rotation:

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

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Jitin Jaysukh Doshi (DIN: 07325340), who retires by rotation at this meeting, be and is hereby re-appointed as a Director of the Company.”

### SPECIAL BUSINESSES:

#### 3. Appointment of Mr. Bhavya Himanshu Doshi (having DIN: 10255295) as a Non-Executive Independent Director of the company:

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and applicable rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force from time to time, Mr. Bhavya Himanshu Doshi (having DIN: 10255295), who was appointed as an Additional Director of the Company with effect from August 26, 2023, and who holds office up to the date of this Annual General Meeting (“AGM”) in terms of Section 161 of the Act, Articles of Association of the Company and in respect of whom, the Company has received a notice in writing from a Shareholder, pursuant to the provisions of Section 160 of the Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a Non-Executive Independent Director for 5 (Five) years from this (12<sup>th</sup>) AGM to 17<sup>th</sup> AGM of the Company whose office shall not be liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

#### 4. Approval for Related Party Transactions:

*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 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Mr. Navdeep Mehta (DIN: 03441623), a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for purchase/Sale of Goods and Services and other business related activities on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of 30 Lacs for the financial year 2023-24, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

#### 5. Approval for Related Party Transactions:

*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 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to

the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Mrs. Tejal Navdeep Mehta (DIN: 03441577), a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for purchase/Sale of Goods and Services and other business related activities on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of 30 Lacs for the financial year 2023-24, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**6. Approval for Related Party Transactions:**

*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 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Mr. Jitin Jaysukh Doshi (DIN: 07325340), a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for purchase/Sale of Goods and Services and other business related activities on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of 125 Lacs for the financial year 2023-24, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**7. To increase the authorised share capital of the company and make consequent Alteration in Clause V of the Memorandum of Association**

*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 Section 13, 61, 64 and other applicable provisions, if any of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the company be and is hereby accorded for increase in Authorised Share Capital of the company from Rs. 4,88,00,000/- (Rupees Four Crore Eighty Eight Lacs Only) divided into 48,80,000 (Forty Eight Lacs Eighty thousands) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 6,00,00,000/- (Rupees Six Crore Only) divided into 60,00,000 (Sixty lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and that existing Clause V of the Memorandum of Association of the Company be replaced with following new Clause V:

“V. The Authorised Share Capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crore Only) divided into 60,00,000 (Sixty lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient, in the best interest of the Company.”

**8. To consider and approve issue of Convertible Warrants on a Preferential basis:**

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

“**RESOLVED THAT** pursuant to Sections 23(1)(b), 62, read with section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and in accordance with the provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (“SEBI ICDR Regulations”), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “SEBI Listing Regulations”) the listing agreements entered into by the Company with the Bombay Stock Exchange of India Limited (“BSE”) (“Stock Exchange”) on which the Equity Shares of the Company having face value of Rs. 10/- (Ten) each (“Equity Shares”) are listed and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs (“MCA”), Securities and Exchange Board of India (“SEBI”) and/ or any other competent authorities, (hereinafter referred to as “Applicable Regulatory Authorities”) from time to time to the extent applicable and subject to such approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory / regulatory authorities, Stock Exchange(s), SEBI, institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter



constitute to exercise its power including the powers conferred by this Resolution, consent of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to create, offer, issue and allot on a preferential basis, from time to time, in one or more tranches, up to 10,50,000 (Ten Lacs Fifty Thousand Only) Convertible Share Warrants (hereinafter referred to as “warrants”) carrying an entitlement to subscribe to an equivalent number of Equity Shares having Face value of Rs. 10/- (Rupees Ten Only) each at an issue price of Rs. 28.50/- each (having premium of Rs. 10/- each) to the proposed allottees as mentioned below on a preferential basis for cash in such form and manner and in accordance with the provisions of SEBI (ICDR) Regulations, and at a price being not less than the price determined in accordance with Chapter V of the SEBI (ICDR) Regulations or such higher price determined on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment in accordance with the provisions of SEBI (ICDR) Regulations, or other applicable laws on such terms and conditions as the Board may, in its absolute discretion think fit and without requiring any further approval and consent from the members.

Sr No.	Name of Proposed Allottee(s)	No. of Convertible shares warrants	Category
1.	Navdeep Subhashbhai Mehta	36000	Promoter
2.	Subhashchandra Maganlal Mehta	108000	Promoter Group
3.	Jitin Jaysukhlal Doshi	300000	Non- Promoter
4.	Preeti Jitin Doshi	78000	Non- Promoter
5.	Reshma Nitin Doshi	78000	Non- Promoter
6.	Jaysukhlal Shantilal Doshi	78000	Non- Promoter
7.	Rushabh Jitin Doshi	48000	Non- Promoter
8.	Jainam Nitin Doshi	48000	Non- Promoter
9.	Yashika Jitin Doshi	48000	Non- Promoter
10.	Himani Nitin Doshi	48000	Non- Promoter
11.	Mathakia Indumati S	24000	Non- Promoter
12.	Patel Kinnar Kumar	18000	Non- Promoter
13.	Patel Kinjalben	18000	Non- Promoter
14.	Neelam Patel	12000	Non- Promoter
15.	Vishal Oza	12000	Non- Promoter
16.	Daivik Kirittbhai Modh	30000	Non- Promoter
17.	Modi Darshana Kantilal	30000	Non- Promoter
18.	Sudarshan Singh	12000	Non- Promoter
19.	Namrata Pankaj Deopura	6000	Non- Promoter
20.	Naurim Nasim Hemani	12000	Non- Promoter
21.	Nasim Murad Hemani	6000	Non- Promoter
	Total	10,50,000	Non- Promoter

**RESOLVED FURTHER THAT** in accordance with SEBI (ICDR) Regulations, the “Relevant Date” for determination of the floor price of the Warrants to be issued in terms hereof, shall be, 31<sup>st</sup> August, 2023 being the date 30 (Thirty) days prior to the meeting of members of the Company determined in accordance with SEBI ICDR Regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the proposed issue of Warrants including reduction of the size of the issue, as it may deem expedient, in its discretion.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above resolution, the issue of Warrants shall be subject to following terms and conditions apart from others as prescribed under the applicable laws:

i) In accordance with Regulation 169(2) of the ICDR Regulations, the warrant holder shall pay an amount equivalent to at least 25% of the price fixed per warrant in terms of the SEBI (ICDR) Regulations on or before the allotment of warrants.

ii) Balance exercise price i.e. 75% of the issue price of the Warrants will be payable by the Warrant holders at the time of exercising the Warrants.

iii) The Warrants can be exercised by the Warrant Holder at any time during the period of 18 (Eighteen) Months from the date of allotment of the Warrants in one or more tranches, as the case may be and on such other terms and conditions as applicable.



iv) In the event, the Warrant Holder does not exercise the Warrants within 18 (Eighteen) months from the date of allotment of the Warrants, the Warrants shall lapse and the amount paid on such Warrants shall stand forfeited by the Company;

The Warrant Holder shall be entitled to exercise the option of exercising any or all of the Warrants in one or more tranches by way of a written notice to the Company, specifying the number of Warrants proposed to be exercised along with the aggregate amount thereon, without any further approval from the Shareholders of the Company prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of Equity Shares to the Warrant holder and perform such actions as required to credit the Equity Shares to the depository account and entering the name of allottees in the records of the Company as the registered owner of such Equity Shares;

vi) The Equity Shares to be issued and allotted to the Proposed Investors as a consequence of exercise of the option under the Warrants in the manner aforesaid shall be in dematerialized form and shall rank pari-passu with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting rights) from the date of allotment thereof, and be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company.

vii) The Warrants proposed to be allotted shall be subject to a lock-in to be determined in accordance with the provisions of the SEBI (ICDR) Regulations. The lock-in on the Equity Shares resulting from the exercise of the option under the Warrants shall be reduced to the extent the Warrants have already been locked-in.

viii) The issue of the Warrants as well as the Equity Shares, arising from the exercise of the option under the Warrants in the manner aforesaid shall be governed by the respective provisions of the Act, the Memorandum & Articles of Association of the Company and also the Regulations issued by SEBI or any other authority as the case may be, or any modifications thereof.

ix) The Company shall re-compute the price of the Warrants / Equity Shares issued on conversion of Warrants in terms of the provisions of SEBI (ICDR) Regulations, where it is required to do so and the differential price, if any, shall be required to be paid by such Warrant Holder to the Company in accordance with the provisions of SEBI (ICDR) Regulations;

x) The Warrants by itself, until exercise of conversion option and allotment of Equity Shares, does not give to the Warrant holders thereof any rights with respect to that of a shareholder of the Company;

xi) The allotment of the Equity Shares pursuant to exercise of Warrants shall be completed within a period of 15 (Fifteen) days from the date of such exercise by the respective allottee.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the holder(s) of the Warrants and all such Equity Shares that are being allotted shall rank pari-passu with the existing Equity Shares of the Company in all respects.

**RESOLVED FURTHER THAT** Equity Shares having Face value of Rs. 10/- (Rupees Ten) each proposed to be allotted to the Warrant Holders, upon conversion of the Warrants, be listed on the Bombay Stock Exchange of India Limited ("BSE"), and that the Board be and is hereby authorized to make the necessary applications and to take all other steps as may be necessary for and in connection with the listing of such Equity Shares proposed to be allotted to the Warrant Holder, upon conversion of the Warrants, and for the admission of the Warrants and Equity Shares with the depositories, viz. NSDL & CDSL, and for the credit of the Warrants and Equity Shares allotted, upon conversion of the Warrants, to the Warrant Holder's dematerialized securities account.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as stock exchanges and other appropriate authority may impose at the time of their approval and as agreed to by the Board other appropriate authority may impose at the time of their approval and as agreed to by the Board.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized, in its entire discretion, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the issue), to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any questions or difficulties that may arise and appoint consultants, valuers, legal advisors, advisors and such other agencies as may be required for the Preferential Issue of Warrants and the Equity Shares to be issued upon conversion of the Warrants without being required to seek any further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** subject to applicable laws, the Board be and is hereby also authorized to delegate, all or any of the powers herein conferred, to any Director(s) or officer(s) of the company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolution, including issue of offer letter, making necessary filings with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such terms, condition(s), modification (s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to modification (s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard in the implementation of this resolution for issue and allotment of Equity shares on preferential basis and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

For and on behalf of Board of Directors  
Novateor Research Laboratories Limited

Date: 26<sup>th</sup> August, 2023  
Place: Ahmedabad

Navdeep Subhashbhai Mehta  
Managing Director  
DIN 03441623

#### **IMPORTANT NOTES**

1. Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
  2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors retires by rotation and seeking appointment/re-appointment at this Annual General Meeting (“AGM”) are annexed to the notice.
  3. A member entitled to attend and vote is entitled to appoint a Proxy instead and the Proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy or any other person or shareholder.
  4. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
  5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
  6. Members are requested to bring their copies of the Annual Report to the meeting. Members, Proxies and Authorized Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM.
  7. In case of joint holder attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  8. Members seeking any information with regards to the Accounts to be explained in the Meeting, are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
  9. Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day up to and including the date of the Annual General Meeting of the Company.
  10. Route map showing directions to reach the venue of the 12<sup>th</sup> AGM is annexed.
  11. The Record Date for the purpose of determining the eligibility of the Members to attend the 12<sup>th</sup> Annual General Meeting of Company will be 22<sup>nd</sup> September, 2023.
  12. There being no shareholder hold physical share certificate in the Company, the Register of members and share transfer books of the Company will not be closed.
  13. Dispatch of Annual Report through Email and Registration of email ID:  
Pursuant to Sections 101 and 136 of the Act read with the relevant Rules made thereunder and Regulation 36 of the SEBI Listing Regulations, companies can send Annual Reports and other communications through electronic mode to those Members who have registered their e-mail addresses either with the Company or with the Depository Participant(s).
- In compliance with MCA Circular No. 20/2020 dated May 5, 2020, MCA General Circular No. 02/2021 dated January 13, 2021, SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and owing to the difficulties involved in dispatching of physical copies of the Financial Statements including Boards’ Report, Auditor’s report or other documents required to be attached therewith (together referred to as “Annual Report”), the Annual Report for Financial Year 2022-23 including Notice of AGM are being sent in electronic mode to Members whose e-mail address(es) are registered with the Company or the Depository Participant(s) and no physical copies will be dispatched to the Members.
14. The Notice of AGM along with Annual Report 2022-23 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2022-23 has been

uploaded on the website of the Company at www.novateor.com. The Notice and Annual Report 2022-23 can also be accessed from the website of the Stock Exchanges i.e. Bombay Stock Exchange of India Limited at www.bseindia.com.

15. The shareholders whether holding equity shares and who have not submitted their email addresses and in consequence to whom the Notice of AGM along with Annual Report 2022-23 could not be serviced via Email; So for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants, by following the due procedure.
16. Those shareholders who have already registered their e-mail address are requested to keep their e-mail addresses validated with their depository participants / the Company's Registrar and Share Transfer Agent, KFin Technologies Limited to enable servicing of notices / documents / annual Reports electronically to their e-mail address.
17. Members holding the shares in dematerialized form are requested to notify immediately, the information regarding change of address and bank particulars to their respective Depository Participant.

#### EXPLANATORY STATEMENT

(Pursuant to Section 102 (1) of the Companies Act 2013 and Secretarial Standard 2 on General Meetings)

##### Item No. 3:

Pursuant to the provisions of Section 161 of the Companies Act, 2013, and based on the recommendation of the Nomination & Remuneration Committee of the Board, Mr. Bhavya Himanshu Doshi (having DIN: 10255295) was appointed as an Additional Director of the Company w.e.f. August 26, 2023. The term of office of Mr. Bhavya Himanshu Doshi (having DIN: 10255295) as an Additional Director is up to the date of this Annual General Meeting. Considering the rich experience and vast knowledge of Mr. Bhavya Himanshu Doshi (having DIN: 10255295), his presence on the Board of the Company ("the Board") will be valuable to the Company and accordingly, the Nomination and Remuneration Committee of the Board has recommended his appointment as the Non-Executive Independent Director of the Company. The Company has received a notice in writing, pursuant to the provisions of Section 160 of the Companies Act, 2013, from a Shareholder proposing his candidature for the office of Director of the Company. The Company has received consent in writing from Mr. Bhavya Himanshu Doshi (having DIN: 10255295) to act as a Director pursuant to Section 152 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013 to be appointed as Director of the Company. The aforesaid notice received is available for inspection at the Registered Office of the Company till the date of the Annual General Meeting and the same shall also be placed at the Meeting. A brief resume(s) in relation to the experience, functional expertise and memberships on other Company's Board and Committee(s) in respect of appointment of Mr. Bhavya Himanshu Doshi (having DIN: 10255295) is provided at Annexure I which forms part of the Notice. The provisions of the Companies Act, 2013, require the Company to seek the approval of the Shareholders for the appointment of Mr. Bhavya Himanshu Doshi (having DIN: 10255295) as Non-Executive Independent Director of the Company. No one except Mr. Bhavya Himanshu Doshi (having DIN: 10255295) is interested/concerned in the resolution under item no. 3. None of the other persons specified in Section 102 of the Companies Act, 2013, Directors, Key Managerial Persons, Relatives of Promoters, Directors and Key Managerial Persons or the entities comprising the interest of Promoters, Directors or Key Managerial Persons, are concerned or interested in the resolution set out in item no. 3. The Directors recommend the said resolution set out at item no. 3 of this Notice for approval of the Shareholders.

##### Item No. 4, 5 & 6:

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 govern the Related Party (ies), the company obtain the approval of Shareholders by way of a Resolution as prescribed in rule 15 of the Companies (Meeting of Board and its Power) Rules, 2014 in the following matters:

1. Sale, purchase or supply of any goods or materials;
2. Selling or otherwise disposing of, or buying, property of any kind;
3. Leasing of property of any kind.
4. Availing or rendering of any services;
5. Appointment of any agent for purchases or sale of goods, materials, Services or property;
6. Such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company and
7. Underwriting the subscription of any securities or derivatives thereof, of the company.

In the light of the provisions of the Companies Act, 2013, the Board of Directors of your company has approved the proposed transactions along with annual limit that your company may enter into with the related parties (as defined under section 2(76) of the companies Act, 2013)

The particulars of the transaction pursuant to the Provisions of Section 188 and Companies (Meetings of Boards and its powers) Rules, 2014 are as under:

Name of the Related Party	Nature, material terms, monetary value and particulars of the contract or arrangement
Mr. Navdeep Mehta	The transaction of Rs. 30.00 Lacs may be entered for the Financial year 2023-24 (or such extended period of time as may be decided by the Board of Directors) at Arm's length price or prevailing market price as may be mutually decided by the Board of Directors. <b>Particulars of the Contract or Arrangement:</b> Availing or rendering of any services or other business transactions upto Rs. 30.00 Lacs

Mrs. Tejal Navdeep Mehta	<p>The transaction of Rs. 30.00 Lacs may be entered for the Financial year 2023-24 (or such extended period of time as may be decided by the Board of Directors) at Arm's length price or prevailing market price as may be mutually decided by the Board of Directors.</p> <p><b>Particulars of the Contract or Arrangement:</b> Availing or rendering of any services or other business transactions upto Rs. 30.00 Lacs</p>
Mr. Jitin Jaysukh Doshi	<p>The transaction of Rs. 125.00 Lacs may be entered for the Financial year 2023-24 (or such extended period of time as may be decided by the Board of Directors) at Arm's length price or prevailing market price as may be mutually decided by the Board of Directors.</p> <p><b>Particulars of the Contract or Arrangement:</b> Availing or rendering of any services or other business transactions upto Rs. 125.00 Lacs</p>

After recommendation of the Audit Committee, the Board is of the opinion that the aforesaid related party transaction is in the best interests of the Company. Your directors recommend passing of these resolution No. 4,5 & 6 by way of an ordinary resolution.

Except, Mr. Navdeep Mehta, Mrs. Tejal Navdeep Mehta, Mr. Jitin Jaysukh Doshi and their relatives, none of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in these resolution No. 4,5 & 6.

**Item No. 7:**

In order to broad base capital structure of the Company and to enable the Company to issue further shares, it is proposed to increase the authorized share capital of the Company from Rs. 4,88,00,000/- (Rupees Four Crore Eighty Eight Lacs Only) divided into 48,80,000 (Forty Eight Lacs Eighty thousands) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 6,00,00,000/- (Rupees Six Crore Only) divided into 60,00,000 (Fifty Eight lacs Forty thousands) Equity Shares of Rs. 10/- (Rupees Ten Only) each by way of creation of an additional 11,20,000 (Eleven Lacs Twenty thousands) Equity Shares of Rs. 10/- (Rupees Ten only) each, ranking pari passu in all respect with existing equity shares of the company, aggregating to Rs. 1,12,00,000/- (Rupees One Crore Twelve Lacs only).

As a consequence of increase of authorized share capital of the Company, the existing authorized share capital clause (Clause V) in the Memorandum of Association of the Company is required to be altered accordingly. The proposed increase in authorized share capital requires the approval of members of the Company under Sections 13, 61, 64 and other applicable provisions of the Companies Act, 2013, as well as any other applicable statutory and regulatory approvals.

Therefore, the Board recommends the resolution hereof for approval of the shareholders as Special Resolution. None of the directors or any key managerial personnel or any relative of any of the directors/key managerial personnel of the Company is, in anyway, concerned or interested in the above Resolution except to the extent of their shareholding in the Company.

**Item No. 8:**

The Board of Directors of the Company, in its meeting held on 26<sup>th</sup> August, 2023, subject to the approval of the members of the Company and such other approvals as may be required, approved the proposal for raising funds by way of issuance and allotment of upto 10,50,000 (Ten Lacs Fifty Thousand Only) Convertible Share Warrants (hereinafter referred to as "warrants") carrying an entitlement to subscribe to an equivalent number of Equity Shares having Face value of Rs. 10/- (Rupees Ten Only) each at a premium of Re. 10/- each on preferential basis to the proposed allottees as mentioned in the resolution no. 8.

Since the Company is a listed Company, the proposed Preferential Issue is in terms of the provisions of the Chapter V of SEBI (ICDR) Regulations, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (as amended), and other applicable provisions, if any and Sections 42 and 62(1) of the Companies Act, 2013, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014. The information as required under SEBI (ICDR) Regulations and as per the provisions of the Companies Act, 2013 read with Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are given below:

**A. Objects of the Preferential issue**

The Company proposes to raise funds through issue of Warrants on preferential basis to:

- Meet working capital requirements and expand the existing business of the Company.
- General corporate purposes or such other objects, as the board may from time to time decide in the best interest of the Company.

**B. Maximum number of specified securities to be issued**

The Board of Directors in its meeting held on 26<sup>th</sup> August, 2023 had approved the issue of Warrants and accordingly proposes to issue and allot in aggregate upto 10,50,000 (Ten Lacs Fifty Thousand Only) Convertible Share Warrants to be converted into equal number of Equity Shares of Rs. 10/- each to Promoter or Non-Promoter Investors on a preferential basis in compliance with applicable provisions of SEBI (ICDR) Regulations.

**C. Amount which the Company intends to raise by way of such securities**

Upto Rs. 2,99,25,000/- (Rupees Two Crore Ninety Nine Lacs and Twenty Five Thousands Only)

D. Intention of the Promoters, Directors, or Key Managerial Personnel of the issuer to subscribe to the Offer:

The Warrants are being offered to Mr. Navdeep Subhashchandra Mehta and Mr. Subhashchandra Maganlal Mehta, who belong to the category of Promoters & Promoter Group of the Company and Mr. Jitin Jaysukh Doshi, Non Executive Director of the company intend to participate/subscribe to the Convertible Warrants. Apart from above, no other Promoters, Director or Key Managerial Personnel of the Company intends to subscribe to any shares pursuant to this Preferential Issue of Warrants.

E. Equity Shareholding Pattern before and after the proposed preferential issue

Sr. No.	Category	#Pre-Issue Equity		\$Post Equity Issue	
		No of shares Held	% Of shareholding	No of shares Held	% Of shareholding
<b>A</b>	<b>Promoter Holding</b>				
<b>1.</b>	<b>Indian</b>				
	Individuals/PAC	2942730	60.87%	3086730	52.46%
	Bodies Corporate	NIL	NIL	NIL	NIL
	Any Other	NIL	NIL	NIL	NIL
	<b>Sub Total A 1</b>	<b>2942730</b>	<b>60.87%</b>	<b>3086730</b>	<b>52.46%</b>
<b>2.</b>	<b>Foreign Promoter</b>				
	Individuals/NRI/Foreign individuals/PAC	NIL	NIL	NIL	NIL
	Bodies Corporate	NIL	NIL	NIL	NIL
	<b>Sub Total A 2</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total Promoters Group A= A1+A2</b>	<b>2942730</b>	<b>60.87%</b>	<b>3086730</b>	<b>52.46%</b>
<b>B</b>	<b>Public/Non-Promoters Shareholding</b>				
<b>1</b>	<b>Institutional Investors</b>				
a	Mutual Funds/Banks/FI	NIL	NIL	NIL	NIL
b	FII's/PI's	NIL	NIL	NIL	NIL
	<b>Sub Total B 1</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>2</b>	<b>Non Institutions</b>				
	Individual share capital upto Rs. 2 Lacs	657831	13.61%	753831	12.81%
	Individual share capital in excess of Rs. 2 Lacs	978000	20.23%	1788000	30.39%
	Non-Resident Indian (NRI)	18000	0.37%	18000	0.31%
	Clearing Members	NIL	NIL	NIL	NIL
	Foreign Bodies Corporate	NIL	NIL	NIL	NIL
	Indian Bodies Corporate	171609	3.55%	171609	2.92%
	Foreign Nationals	NIL	NIL	NIL	NIL
	Others (HUF, NBFC and Trusts)	66000	1.37%	66000	1.12%
	<b>Sub Total B 2</b>	<b>1891440</b>	<b>39.13%</b>	<b>2797440</b>	<b>47.54%</b>
	<b>Total Public Share holding B-B1+B2</b>	<b>1891440</b>	<b>39.13%</b>	<b>2797440</b>	<b>47.54%</b>
	<b>GRAND TOTAL A+B</b>	<b>4834170</b>	<b>100%</b>	<b>5884170</b>	<b>100%</b>

§The post issue shareholding percentage is arrived after considering all the preferential allotments of warrants proposed to be made under this notice and on fully diluted basis. The post issue paid-up capital of the Company is subject to alterations on account of (i) subscription of entire warrants mentioned Resolution No. 8; consequently, the post-issue shareholding percentage mentioned above may stand altered and (ii) conversion of said warrants into equity shares.

**F. Proposed time within which the allotment shall be completed:**

In accordance with Regulation 170 of the SEBI ICDR Regulations, the Company shall complete the allotment of warrants as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue or in the event allotment of equity shares would require any approval(s) from any regulatory authority or the Central Government, within 15 days from the date of such approval(s), as the case may be.

Sr No.	Name of Proposed Allottee(s)	No. of Convertible shares warrants	Category
1.	Navdeep Subhashbhai Mehta	36000	Promoter
2.	Subhashchandra Maganlal Mehta	108000	Promoter Group
3.	Jitin Jaysukhlal Doshi	300000	Non- Promoter
4.	Preeti Jitin Doshi	78000	Non- Promoter
5.	Reshma Nitin Doshi	78000	Non- Promoter
6.	Jaysukhlal Shantilal Doshi	78000	Non- Promoter
7.	Rushabh Jitin Doshi	48000	Non- Promoter
8.	Jainam Nitin Doshi	48000	Non- Promoter
9.	Yashika Jitin Doshi	48000	Non- Promoter
10.	Himani Nitin Doshi	48000	Non- Promoter
11.	Mathakia Indumati S	24000	Non- Promoter
12.	Patel Kinnar Kumar	18000	Non- Promoter
13.	Patel Kinjalben	18000	Non- Promoter
14.	Neelam Patel	12000	Non- Promoter
15.	Vishal Oza	12000	Non- Promoter
16.	Daivik Kirittbhai Modh	30000	Non- Promoter
17.	Modi Darshana Kantilal	30000	Non- Promoter
18.	Sudarshan Singh	12000	Non- Promoter
19.	Namrata Pankaj Deopura	6000	Non- Promoter
20.	Naurim Nasim Hemani	12000	Non- Promoter
21.	Nasim Murad Hemani	6000	Non- Promoter
Total		10,50,000	Non- Promoter

**G. The name of the proposed allottees, the percentage of post preferential issue capital that may be held by them:**

Sr. No	Details of subscriber	PAN	Category/ Class of Subscribers	Pre-issue holding	% to Pre issue Capital	No of equity shares proposed to issue	% to post issue capital
1.	Navdeep Subhashbhai Mehta	ABIPM7813L	Promoter	1428858	29.56%	36000	0.61%
2.	Subhashchandra Maganlal Mehta	ACDPM5629G	Promoter Group	249588	5.16%	108000	1.84%
3.	Jitin Jaysukhlal Doshi	AAEPD9731H	Non- Promoter	186000	3.85%	300000	5.15%
4.	Preeti Jitin Doshi	ALAPD4007D	Non- Promoter	54000	1.12%	78000	1.33%
5.	Reshma Nitin Doshi	AHOPD7948P	Non- Promoter	96000	1.99%	78000	1.33%
6.	Jaysukhlal Shantilal Doshi	CJEPD1794H	Non- Promoter	78000	1.61%	78000	0.82%
7.	Rushabh Jitin Doshi	AFBPD2881C	Non- Promoter	36000	0.74%	48000	1.33%
8.	Jainam Nitin Doshi	DJTPD8601K	Non- Promoter	18000	0.37%	48000	0.82%
9.	Yashika Jitin Doshi	BZSPD0714Q	Non- Promoter	12000	0.25%	48000	0.82%



10.	Himani Nitin Doshi	BZSPD0715R	Non- Promoter	30000	0.62%	48000	0.82%
11.	Mathakia Indumati S	AOSPM7498A	Non- Promoter	24000	0.50%	24000	0.43%
12.	Patel Kinnar Kumar	BJPPP5094E	Non- Promoter	-	-	18000	0.31%
13.	Patel Kinjalben	DLRPP6837F	Non- Promoter	-	-	18000	0.31%
14.	Neelam Patel	ABAPP7502R	Non- Promoter	-	-	12000	0.20%
15.	Vishal Oza	AAFPO2996J	Non- Promoter	-	-	12000	0.20%
16.	Daivik Kirittbhai Modh	AOSPM4951L	Non- Promoter	-	-	30000	0.51%
17.	Modi Darshana Kantilal	AMZPM5284D	Non- Promoter	-	-	30000	0.51%
18.	Sudarshan Singh	ARIPS8172Q	Non- Promoter	-	-	12000	0.20%
19.	Namrata Pankaj Deopura	ASBPD6950B	Non- Promoter	-	-	6000	0.10%
20.	Naurim Nasim Hemani	BEOPK2891E	Non- Promoter	-	-	12000	0.21%
21.	Nasim Murad Hemani	ACNPH4210L	Non- Promoter	-	-	6000	0.10%

*Note: The table shows the expected shareholding pattern of the Company upon assumption of the allotment and assumes that holding of all other shareholders shall remain the same post issue as they were on the date on which the pre issue shareholding pattern was prepared.*

#### H. Undertakings:

In terms of SEBI (ICDR) Regulations, 2018, the Company hereby undertakes that:

- The Company is in compliance with the conditions for continuous listing, and is eligible to make the preferential issue under Chapter V of the SEBI ICDR Regulations.
- It shall re-compute the price of the Warrants issued in terms of the provisions of SEBI (ICDR) Regulations, where it is required to do so.
- If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the underlying Warrants shall continue to be locked-in till the time such amount is paid by the proposed allottees.
- The Proposed allottees have confirmed that they have not sold any Equity Shares of the company during the 90 trading days preceding the Relevant Date.

*Neither the Company, it's Directors nor Promoters have been declared as willful defaulter or a fugitive economic offender or a fraudulent borrower.*

#### I. The total number of Shares or other Securities to be issued:

The Board of Directors in its meeting held on 26<sup>th</sup> August, 2023 had approved the issue of Warrants and accordingly proposes to issue and allot in aggregate upto 10,50,000 (Ten Lacs Fifty Thousand Only) Convertible Share Warrants to be converted into equal number of Equity Shares of Rs. 10/- each to promoter or Non-Promoter Investors on a preferential basis in compliance with applicable provisions of SEBI (ICDR) Regulations.

#### J. Listing:

The Company will make an application to the Stock Exchanges at which the Existing shares are listed, for listing of the Equity Shares to be allotted on exercise of Warrants. The Equity Shares, once allotted, shall rank pari-passu with the then existing Equity Shares of the Company in all respects.

#### K. Terms of Issue of the Warrants

- In accordance with Regulation 169(2) of the ICDR Regulations, the warrant holder shall pay an amount equivalent to at least 25% of the price fixed per warrant in terms of the SEBI (ICDR) Regulations on or before the allotment of warrants.
- Balance exercise price i.e. 75% of the issue price of the Warrants will be payable by the Warrant holders at the time of exercising the Warrants.
- The Warrants can be exercised by the Warrant Holder at any time during the period of 18 (Eighteen) months from the date of allotment of the Warrants in one or more tranches, as the case may be and on such other terms and conditions as applicable.
- In the event, the Warrant Holder does not exercise the Warrants within 18 (Eighteen) months from the date of allotment of the Warrants, the Warrants shall lapse and the amount paid on such Warrants shall stand forfeited by the Company;
- The Warrant Holder shall be entitled to exercise the option of exercising any or all of the Warrants in one or more tranches by way of a written notice to the Company, specifying the number of Warrants proposed to be exercised along with the aggregate amount thereon, without any further approval from the Shareholders of the Company prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of Equity Shares to the Warrant holder and perform such actions as required to credit the Equity Shares to the depository account and entering the name of allottee in the records of the Company as the registered owner of such Equity Shares;



- vi. The Equity Shares to be issued and allotted to the Proposed Investors as a consequence of exercise of the option under the Warrants in the manner aforesaid shall be in dematerialized form and shall rank pari-passu with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting rights) from the date of allotment thereof, and be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company.
- vii. The Warrants proposed to be allotted shall be subject to a lock-in to be determined in accordance with the provisions of the SEBI ICDR Regulations. The lock-in on the Equity Shares resulting from the exercise of the option under the Warrants shall be reduced to the extent the Warrants have already been locked-in.
- viii. The issue of the Warrants as well as the Equity Shares, arising from the exercise of the option under the Warrants in the manner aforesaid shall be governed by the respective provisions of the Act, the Memorandum & Articles of Association of the Company and also the Regulations issued by SEBI or any other authority as the case may be, or any modifications thereof.
- ix. The Company shall re-compute the price of the Warrants / Equity Shares issued on conversion of Warrants in terms of the provisions of ICDR Regulations, where it is required to do so and the differential price, if any, shall be required to be paid by such Warrant Holder to the Company in accordance with the provisions of ICDR Regulations;
- x. The Warrants by itself, until exercise of conversion option and allotment of Equity Shares, does not give to the Warrant holders thereof any rights with respect to that of a shareholder of the Company;

The allotment of the Equity Shares pursuant to exercise of Warrants shall be completed within a period of 15 (Fifteen) days from the date of such exercise by the respective allottee.

**L. Pricing of Preferential Issue:**

The Board has fixed the price of Rs. 28.50/- per warrant in terms of regulation 164 and 166A of SEBI (ICDR) Regulations, 2018

**M. Basis on which the price would be arrived at:**

The equity shares of Company are listed and the equity shares of the Company are frequently traded on Stock Exchanges, viz., BSE Limited ("BSE") in accordance with SEBI (ICDR) Regulations, 2018. The issue price is determined in accordance with the Regulations as applicable for Preferential Issue as contained in Chapter V of the SEBI (ICDR) Regulations, 2018 as amended till date. Pursuant to applicable provisions of the Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debenture) Rules, 2014, and ICDR Regulations, the Company has obtained a Valuation Report dated 26<sup>th</sup> August, 2023 ("Valuation Report") from a Registered Valuer, who have determined the fair value of the Equity Shares of the Company to be Rs. 28.50/- per share.

**Justification for pricing of preferential issue:**

***As per Regulation 166A (1) of the SEBI (ICDR) Regulations***

*Any preferential issue, which may result in a change in control or allotment of more than five per cent of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price. Provided that the floor price, in such cases, shall be higher of the floor price determined under regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.*

The Articles of Association of the Company do not provide for any particular method of determination which results in a floor price higher than the determined under SEBI (ICDR) Regulations. However as proposed allotment is more than 5% of the post issue fully diluted Equity Share Capital of the Company, to the allottees the pricing of the Equity Shares shall be the higher of the following parameters

- i. Price determined as per provisions of the Regulation 164(1) of the SEBI (ICDR) Regulations (frequently traded shares):  
The shares of the Company are frequently traded shares, so Regulation 164(1) of SEBI (ICDR) Regulations is Applicable
- ii. Price determined as per provisions of the Regulation 166A (1) of the SEBI (ICDR) Regulations: In terms of Regulation 166A(1) of the SEBI (ICDR) Regulations, the Company has taken Valuation Report dated 26<sup>th</sup> August, 2023 from Mr. Manish Santosh Buchasia, IBBI Registered Valuer- Securities and Financial Assets, having Registration No: IBBI/RV/03/2019/12235, arriving at Rs. 28.03/- and the copy of the same has been hosted on the website of the Company which can be accessed at <https://novateor.com>

The issue price for this Preferential Issue is Rs. 28.50/- per equity share (Face Value Rs. 10/- each including Premium of Rs. 10/- each). Since the Shares of the Company are frequently traded shares; price determination in accordance with Regulation 164(1) of SEBI (ICDR) Regulations is applicable and price determined by Registered Valuer is considered as per Regulation 166A(1) and 164 of SEBI (ICDR) Regulations. There is no change in the management or control of the Company pursuant to the aforesaid issue and allotment of the equity shares and therefore there is no requirement of a reasoned recommendation from a committee of independent directors of the issuer.

The Board has fixed the floor price as Rs. 28.50/- per Warrant and the said price fixed by the Board is highest of the above two prices calculated in terms of the ICDR Regulation and other applicable provisions.

**N. Name and address of valuer who performed valuation-**

Mr. Manish Santosh Buchasia, IBBI Registered Valuer- Securities and Financial Assets having address at 306, "Gala Mart", Nr. SOBO Centre, South Bopal, Ahmedabad- 380058, Gujarat

- O. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.**

Not Applicable, as the company has not proposed to issue the shares for consideration other than cash.

- P. Relevant Date**

In terms of the provisions of Chapter V of the ICDR Regulations, relevant date for determining the floor price for this Preferential Allotment of convertible warrants into Equity Shares is 31<sup>st</sup> August, 2023 being the 30 days prior to the date of Annual General Meeting.

- Q. Change in control if any consequent to preferential issue**

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential issue.

However, the percentage of shareholding and voting rights exercised by the shareholders of the Company will change in accordance with the change in the shareholding pattern pursuant to the Preferential Allotment.

- R. No. of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:**

The Company has not made any preferential allotment during the current Financial Year 2023-24.

- S. Lock-in period**

The Warrants and Shares to be issued upon conversion shall be subject to Lock-in as provided under the provisions of ICDR Regulations. The entire pre preferential shareholding of the above allottees, if any, shall be locked-in from the relevant date up to the period of 90 trading days from the date of allotment of securities as per Regulation 167 of the ICDR Regulations.

- T. Certificate from Practicing Company Secretaries**

A certificate from Mr. Mehul Raval, Practicing Company Secretary certifying that the issue of equity shares on preferential basis is being made in accordance with requirements of Chapter V of the SEBI (ICDR) Regulations, 2018 shall be available for inspection at the Registered office of the Company on all working days (excluding Saturdays and Sundays) during 11:00 A.M. to 5:00 P.M. up to the date of Annual General Meeting and all also be available during the Annual General Meeting.

The said Certificate will be uploaded on the Investor Relations page on the website of the Company i.e. <https://novateor.com> before the Extra Ordinary General Meeting.

- U. Details of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.**

Mr. Navdeep Mehta and Mr. Jitin Jaysukh Doshi, Directors and their relatives are concerned or interested in the resolution.

- V. Disclosures as per Regulation 163(1)(j) pertaining to the Current and Proposed Status of the Allottee(s) post Preferential Issue namely, Promoter or Non-Promoter:**

There will be no change in the status of the allottees post the preferential issue. They shall remain to be the same i.e. Promoters and Non-Promoter/ Public Shareholders.

- W. Other disclosures**

In accordance with SEBI (ICDR) Regulations,

- i. The Company has not allotted Equity Shares on preferential basis in the financial year.
- ii. Neither the Company nor any of its Promoters and Directors has been declared as a willful defaulter or a fraudulent borrower or a fugitive economic offender.
- iii. The pre- preferential allotment of the person holding the shares are in dematerialized form.
- iv. The issue of Equity Shares shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Companies Act, 2013 and relevant regulations of SEBI (ICDR) Regulations and shall be made in a dematerialized form only.

The Board of Directors of the Company believes that the proposed preferential issue is in the best interest of the Company and its members. The Board of Directors recommends the passing of the resolutions as set out in Item No. 8 as special resolution for your approval.

Except Mr. Navdeep Mehta and Mr. Jitin Jaysukh Doshi and their relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of this Notice except to the extent of their shareholding in the Company.

For and on behalf of Board of Directors  
Novateor Research Laboratories Limited

Date: 26<sup>th</sup> August, 2023  
Place: Ahmedabad

Navdeep Subhashbhai Mehta  
Managing Director  
DIN 03441623

**ANNEXURE TO THE NOTICE**

The relevant details, pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”) are as follows:

<b>Name of Director</b>	Mr. JitinJaysukhDoshi, (DIN: 07325340)
<b>Date of Birth</b>	2 <sup>nd</sup> September, 1965
<b>Date of Initial Appointment</b>	1 <sup>st</sup> September, 2022
<b>Date of Appointment (at current term)</b>	30 <sup>th</sup> September, 2022
<b>Educational Qualifications</b>	He holds Bachelor degree in Commerce and has advanced learning in Marketing and System Management.
<b>Expertise in specific functional areas - Job profile and suitability</b>	Mr. Doshi brings the experience of over three decades in the marketing and system management of different segments including mainly in the oral care products. He is also a key part of Doshi E Ventures Pvt. Ltd.
<b>Directorships held in other companies (excluding foreign companies, Section 8 companies and Struck off Companies and our Company)</b>	Doshi E Ventures Pvt. Ltd.
<b>Memberships / Chairmanships of committees of other public companies</b>	NIL
<b>Shareholding in the Company:</b>	1,86,000 Number of Equity Shares as on 25 <sup>th</sup> August, 2023
<b>Inter-se Relationship with other Directors</b>	There is no relation with other Directors.

<b>Name of Director</b>	Mr. Bhavya Himanshu Doshi, (DIN: 10255295)
<b>Date of Birth</b>	2 <sup>nd</sup> September, 1965
<b>Date of Initial Appointment</b>	26 <sup>th</sup> August, 2023
<b>Date of Appointment (at current term)</b>	In the ensuing Annual General Meeting
<b>Educational Qualifications</b>	Mr. Bhavya Himanshu Doshi is a fellow Chartered Accountant from the Institute of Chartered Accountant of India, Inter CS (Company Secretary) and also commerce graduate with Diploma in Information System Audit (DISA), ICAI
<b>Expertise in specific functional areas - Job profile and suitability</b>	CA Bhavya Doshi is a working partner at Kishore Mehta and Associates and have 7 years of experience in the area of Secretarial Compliances, Personal and Corporate Taxations & advisory services, Stock brokers Audit, Government Audit as well as GST Audit
<b>Directorships held in other companies (excluding foreign companies, Section 8 companies and Struck off Companies and our Company)</b>	NA
<b>Memberships / Chairmanships of committees of other public companies</b>	NIL
<b>Shareholding in the Company:</b>	NIL
<b>Inter-se Relationship with other Directors</b>	There is no relation with other Directors.

For and on behalf of Board of Directors  
Novateor Research Laboratories Limited

Date: 26<sup>th</sup> August, 2023  
Place: Ahmedabad

Navdeep Subhashbhai Mehta  
Managing Director  
DIN 03441623

## DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company"), along with the Standalone Audited Financial Statements, for the Financial Year ended on 31<sup>st</sup> March, 2023.

### FINANCIAL RESULTS:

The Company's financial performance for the year ended on 31<sup>st</sup> March, 2023 is summarized below:

(In Rs.)

PARTICULARS	STANDALONE - YEAR ENDED	
	31.03.2023	31.03.2022
I. Net Sales/Income from Operations	12,600,981	7,419,065
II. Other Income	4,898,009	4,842,582
III. Total Revenue (I+II)	17,498,990	12,261,647
IV. Earnings Before Interest, Taxes, Depreciation and Amortization Expense	1,524,056	(1,731,798)
V. Finance Cost	271,140	5,798
VI. Depreciation and Amortization Expense	857,680	865,021
VII. Profit Before Tax (IV-V-VI)	395,236	(2,602,617)
VIII. Tax Expense:		
Less: Current Tax Expense	11,850	26,000
Less: Deferred Tax	16,840	(344,597)
Profit After Tax (VII-VIII)	366,546	(2,284,020)

### COMPANY'S PERFORMANCE:

#### STANDALONE FINANCIAL RESULTS:

The Total Income from Operations (net) of the Company for the year under review is ₹12,600,981 as compared to ₹7,419,065 in the previous year. Profit after tax stood at ₹366,546 as compared to Loss after tax of ₹(2,284,020) in the previous year.

#### DIVIDEND:

For the Financial Year 2022-23, based on the Company's performance, the Board of Directors have not recommended any dividend.

#### TRANSFER TO RESERVES:

The Company has not transferred any amount in Reserve and Surplus.

#### BUSINESS DESCRIPTION:

The Company is leading the development of novel personal care products that are intended to provide safe, easy and innovative approach to the existing traditional personal care solutions. At Novateor Research Facility, we develop products that could provide significant clinical as well as commercial advantage.

The Proposed new manufacturing facility to be located at Sanand Taluka, Ahmedabad District is well equipped with the state of the art building structure, machineries and technology. Through the semi-Automation of our manufacturing processes, we will be able to reduce reliance on manual labors and raw materials wastage.

Company's current Teeth Whitening products are sold under brand name **SmileShine**. It manufactures three different variants of Teeth Whitening Strips, Teeth Whitening Toothpaste and brush, Kids Toothpaste and tongue cleaner, Teeth Whitening Gel, Power Brush. Our products are first of a kind in India in teeth whitening industry with FDCA approval. Our Company intends to expand its business in cosmetics, various health care pharma products in the near future for which the company will shift its manufacturing operations to the new premises located at GIDC, Sanand.

Company's Customer base consists of well trained, highly skilled and experienced Dentists as well as Cosmetic Parlors. Dentists and other end users have found our products to be innovative, user friendly, safe, pocket friendly and very effective results vis-à-vis traditional teeth whitening products.

#### CHANGE IN NATURE OF BUSINESS:

During the year, your company has not changed its business or object and continues to be in the same line of business as per main object of the Company.

**THE REGISTERED OFFICE:**

The registered office of the company is situated at 1026, Dev Atelier, Opp. Dev Aurum, Anandnagar Cross Road, 100 Feet Ring Road, Prahladnagar, Ahmedabad- 380015, Gujarat, India.

**SHARE CAPITAL:**

During the year under review, the authorized and paid-up share capital of the Company are as follows:

➤ **AUTHORIZED CAPITAL:**

The Authorized Capital of the Company is ₹4,88,00,000 (Rupees Four Crore Eighty Eight Lakhs Only) divided into 48,80,000 (Forty Eight Lakhs Eighty thousand ) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

➤ **ISSUED, SUBSCRIBED & PAID-UP CAPITAL:**

The issued, subscribed and paid-up capital of the Company is ₹ 4,83,41,700/- (Rupees Four Crore Eighty Three Lakhs Forty One Thousand Seven Hundred Only) divided into 48,34,170 (Forty Eight Lakhs Thirty Four Thousand One Hundred and Seventy) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

**Material changes and commitment position of the company occurred between the end of financial year to which this Financial Statement relates and the date of the report:**

The Board of Director of the company approved resignation of Ms. Poonam Pravinbhai Panchal as Company Secretary and Compliance officer of the company w.e.f. the closing hours of 8th July, 2023.

**BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**Constitution of Board:**

As on the date of this report, the Board comprises of following Directors;

Name of Director	Designation	Date of Original Appointment	Date of Appointment at current Term & designation	Total Directors hip	No. of Committee <sup>1</sup>		No. of Shares held as on 31 <sup>st</sup> March, 2023
					in which Director is Member	in which Director is Chairperson	
Mr. Navdeep Subhashbhai Mehta	Managing Director	1 <sup>st</sup> April, 2011	12 <sup>th</sup> April, 2019	1	2	-	14,28,858 Equity Shares
Mrs. Tejal Navdeep Mehta	Whole Time Director & Woman Director	1 <sup>st</sup> April, 2011	12 <sup>th</sup> April, 2019	1	-	-	5,40,378 Equity Shares
Mr. Anand Rajendra Shah	Non-Executive Independent Director	1 <sup>st</sup> May, 2019	12 <sup>th</sup> September, 2019	3	2	1	Nil
Mr. Chintan Pankaj Shah	Non-Executive Independent Director	15 <sup>th</sup> July, 2019	12 <sup>th</sup> September, 2019	1	2	1	Nil
Mr. Sindhav Vipulbhai	Non-Executive Independent Director	24 <sup>th</sup> October, 2019	29 <sup>th</sup> September, 2020	1	-	-	Nil
Mr. Jitin Jaysukh Doshi	Non-Executive Director	01 <sup>st</sup> September, 2022	30 <sup>th</sup> September, 2022	2	-	-	1,86,000 Equity Shares
Mr. Bhavya Himanshu Doshi	Additional Non-Executive Independent Director	26 <sup>th</sup> August, 2023	26 <sup>th</sup> August, 2023	1	-	-	Nil

<sup>1</sup> Committee includes Audit Committee and Stakeholder's Relationship Committee across all Public Companies.

<sup>2</sup> Excluding LLPs, Section 8 Company & Struck Off Companies.

The composition of Board complies with the requirements of the Companies Act, 2013 ("Act"). Further, in pursuance of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is exempted from the requirement of having composition of Board as per Regulation 17 of Listing Regulations.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

None of the Director of the Company is serving as a Whole-Time Director / Managing Director in any Listed Company and is holding position of Independent Director in more than 3 Listed Company. Neither any of the Director of the Company is holding position as Director in more than 7 listed entities nor any of the Director of the Company serve as an Independent Director in more than 7 listed entities.

#### DISCLOSURE BY DIRECTORS:

The Directors on the Board have submitted notice of interest under Section 184(1) i.e. in Form MBP 1, intimation under Section 164(2) i.e. in Form DIR 8 and declaration as to compliance with the Code of Conduct of the Company.

#### BOARD MEETING:

Regular meetings of the Board are held at least once in a quarter. Additional Board meetings are convened, as and when require, to discuss and decide on various business policies, strategies and other businesses. The Board meetings are generally held at the registered office of the Company.

During the year under review, Board of Directors of the Company met 7 (Seven) times on 9<sup>th</sup> April,2022; 30<sup>th</sup> May,2022; 1<sup>st</sup> September, 2022; 21<sup>st</sup> September,2022; 14<sup>th</sup> November,2021; 23<sup>rd</sup> January, 2023 and 20<sup>th</sup> March, 2023.

The meetings of the Board of the Companies within the intervals provided in section 173 of the Companies Act, 2013 (120 days) were compiled between two Board Meetings.

The details of attendance of each Director at the Board Meetings and Annual General Meeting are given below:

Name of Director	Mr. Navdeep Subhashbhai Mehta	Mrs. Tejal Navdeep Mehta	Mr. Anand Rajendra Shah	Mr. Chintan Pankaj Shah	Mr. Sindhav Vipulbhai	Mr. Jitin Jaysukh Doshi
Number of Board Meeting held	7	7	7	7	7	5
Number of Board Meetings Eligible to attend	7	7	7	7	7	5
Number of Board Meeting attended	7	7	7	7	7	5
Presence at the previous AGM of F.Y. 2022-23	Yes	Yes	Yes	Yes	Yes	Yes

#### GENERAL MEETINGS:

During the year under review, the following General Meeting was held, the details of which are given as under:

Sr. No.	Type of General Meeting	Date of General Meeting
1.	Annual General Meeting	30 <sup>th</sup> September, 2022

#### INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Act. A separate meeting of Independent Directors was held on 20<sup>th</sup> March, 2023 to review the performance of Non-Independent Directors and Board as whole and performance of Chairperson of the Company including assessment of quality, quantity and timeliness of flow of information between Company management and Board.

The terms and conditions of appointment of Independent Directors and Code for Independent Director are incorporated on the website of the Company at [www.novateor.com](http://www.novateor.com).

#### INFORMATION ON DIRECTORATE:

In accordance with the provisions of the Articles of Association and Section 152 of the Companies Act, 2013, Mr. Jitin Jaysukh Doshi, Non-Executive Director of the Company retires by rotation at the ensuing annual general meeting. He, being eligible, has offered himself for re-appointment as such and seeks re-appointment. The Nomination and Remuneration Committee and Board of Directors recommends her re-appointment on the Board.

The relevant details, as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking appointment / re-appointment as Director is annexed to the Notice convening the 12<sup>th</sup> annual general meeting.

**DETAILS OF KEY MANAGERIAL PERSONNEL:**

In terms of Section 203 of the Companies Act, 2013, Mr. Navdeep Subhashbhai Mehta is Managing Director as well as Chief Financial Officer, as Key Managerial Personnel of the Company. Mrs. Tejal Navdeep Mehta is Whole time director of the company. Moreover, Ms. Poonam Pravinbhai Panchal was a Company Secretary & Compliance Officer of the Company upto the closing hours of July 8, 2023.

**PERFORMANCE EVALUATION:**

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.

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.

In addition, the performance of chairman was also evaluated on the key aspects of his role.

The Board and the Nomination and Remuneration Committee 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.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to section 134(5) of the Companies Act, 2013; the Board of Directors to the best of their knowledge and ability confirm that:

- In preparation of Annual Accounts for the year ended 31<sup>st</sup> March, 2023; the applicable accounting standards have been followed and that no material departures have been made from the same;
- The Directors have selected such accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for that year;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts for the year ended 31<sup>st</sup> March, 2023 on going concern basis;
- The Directors have laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**COMMITTEE OF BOARD:**

The Board of Directors in line with the requirement of the Companies Act, 2013 has formed various committees, details of which are given hereunder:

**A. AUDIT COMMITTEE:**

During the year under review, the Audit Committee met 5 (Five) times during the Financial Year 2022-23, on 9<sup>th</sup> April, 2022; 30<sup>th</sup> May, 2022; 1<sup>st</sup> September, 2022; 14<sup>th</sup> November, 2022; 23<sup>rd</sup> January, 2023.

The composition of the Committee during the year and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the Financial Year 2022-23		
			Held	Eligible to attend	Attended
Mr. Chintan Pankaj Shah	Non-Executive Independent Director	Chairperson	5	5	5
Mr. Anand Rajendra Shah	Non-Executive Independent Director	Member	5	5	5
Mr. Navdeep Subhashbhai Mehta	Managing Director & CFO	Member	5	5	5

The Statutory Auditors and Chief Financial Officer of the Company are invited in the meeting of the Committee wherever requires. Further, the Company Secretary of the Company is acting as Secretary to the Audit Committee.

Recommendations of Audit Committee wherever / whenever given have been accepted by the Board.

**Vigil Mechanism:**

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior actual or suspected fraud or violation of Company's Code of Conduct.

Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safeguards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The functioning of vigil mechanism is reviewed by the



Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at [www.novateor.com](http://www.novateor.com).

#### B. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The Stakeholder's Relationship Committee mainly to focus on the redressal of Shareholders' / Investors' Grievances if any like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc. The Stakeholders Relationship Committee shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The detailed terms of reference of the Committee is as per Section 178 of the Companies Act, 2013.

During the year under review, Stakeholder's Relationship Committee met 3 (Three) times viz on 9<sup>th</sup> April, 2022; 1<sup>st</sup> September, 2022; 23<sup>rd</sup> January, 2023. The composition of the Committee and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the Financial Year 2022-23		
			Held	Eligible to attend	Attended
Mr. Anand Rajendra Shah	Non-Executive Independent Director	Chairperson	3	3	3
Mr. Chintan Pankaj Shah	Non-Executive Independent Director	Member	3	3	3
Mr. Navdeep Subhashbhai Mehta	Managing Director & CFO	Member	3	3	3

During the year under review, the Company had not received any complaint from the Shareholder during F.Y. 2022-23.

#### C. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration committee in line with the provisions of Section 178 of the Companies Act 2013. The detailed terms of reference of the Committee is as per Section 178 of the Companies Act, 2013.

During the year under review; Nomination and Remuneration Committee met 2 (Two) times viz on 9<sup>th</sup> April, 2022; 1<sup>st</sup> September, 2022. The composition of the Committee and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the Financial Year 2022-23		
			Held	Eligible to attend	Attended
Mr. Anand Rajendra Shah	Non-Executive Independent Director	Chairperson	2	2	2
Mr. Chintan Pankaj Shah	Non-Executive Independent Director	Member	2	2	2
Mr. Vipulbhai Sindhav	Non-Executive Independent Director	Member	2	2	2

#### NOMINATION AND REMUNERATION POLICY:

Nomination and Remuneration Policy in the Company is designed to create a high-performance culture. It enables the Company to attract motivated and retained manpower in competitive market, and to harmonize the aspirations of human resources consistent with the goals of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors and Key Managerial Personnel.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at [www.novateor.com](http://www.novateor.com) and is annexed to this Report as **Annexure - A**.

#### REMUNERATION OF DIRECTORS:

The details of remuneration paid during the Financial Year 2022-23 to Directors of the Company is provided in Financial Statement.

#### PUBLIC DEPOSIT:

The company has not accepted any deposits from the public. Hence the directives issued by the Reserve Bank of India & the Provision of Section 73 to 76 of the Company Act 2013 or any other relevant provisions of the Act and the Rules there under are not applicable.

#### PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS & SECURITY:

Details of Loans, Guarantees, Investments and Security covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

**ANNUAL RETURN:**

Pursuant to the amendments to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return (Form MGT-7) for the financial year ended March 31, 2023, is available on the Company's website and can be accessed at [https://www.novateor.com/annual\\_report.php](https://www.novateor.com/annual_report.php)

**SUBSIDIARIES OF THE COMPANY:**

Your Company does not have any subsidiary company during the year; hence consolidation of financial data of the subsidiary company is also not applicable to the Company for the financial year 2022-23.

**ASSOCIATES AND JOINT VENTURE OF THE COMPANY:**

During the year under review, the Company does not have any Associate or Joint Venture.

**CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

During the financial year 2022-23, there was no materially significant related party transaction undertaken by the Company under Section 188 of the Companies Act, 2013 read with rules framed there under and Regulation 23 of SEBI (LODR) Regulations, 2015 that may have potential conflict with the interest of the Company. Disclosure on related party transactions is set out in financial statements. These transactions are at Arm's length and in routine course of business.

**PARTICULAR OF EMPLOYEES:**

The ratio of the remuneration of each director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as Annexure - B.

The statement containing names of top 10 employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company.

**MATERIAL CHANGES AND COMMITMENT:**

There are no material changes and commitments affecting the financial position of the Company have occurred between the ends of Financial Year of the Company i.e. 31<sup>st</sup> March, 2023 to the date of this Report other than as stated above.

**SIGNIFICANT AND MATERIAL ORDERS:**

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status and the Company's operations in future.

**SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

To foster a positive workplace environment free from harassment of any nature we have framed Prevention of Sexual Harassment Policy through which we address complaints of sexual harassment at all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate.

During the year under review there were no incidences of sexual harassment reported.

**ENERGY CONSERVATION TECHNOLOGY ABSORPTION AND 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 as amended from time to time is annexed to this Report as Annexure -C.

**SECRETARIAL STANDARDS OF ICSI:**

The Company is in compliance with the Secretarial Standard on Meetings of the Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

**RISK MANAGEMENT:**

A well-defined risk management mechanism covering the risk mapping and trend analysis risk exposure potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact if triggered. A detailed exercise is being carried out to identify evaluate monitor and manage both business and non-business risks.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has adequate and efficient internal and external control system, which provides protection to all its assets against loss from unauthorized use and ensures correct reporting of transactions. The internal control systems are further supplemented by internal audits carried out by the respective Internal Auditors of the Company and Periodical review by the management. The Company has put in place proper controls, which are reviewed at regular intervals to ensure that transactions are properly authorised, correctly reported and assets are safeguarded.

#### **CORPORATE GOVERNANCE:**

Integrity and transparency are key factors to our corporate governance practices to ensure that we achieve and will retain the trust of our stakeholders at all times. Corporate governance is about maximizing shareholder value legally, ethically and sustainably. Our Board exercises its fiduciary responsibilities in the widest sense of the term. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

As our company has been listed on SMEPlatform of Bombay Stock Exchange Limited (BSE), by virtue of Regulation 15 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the compliance with the corporate Governance provisions as specified in regulation 17 to 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 and Para C D and E of Schedule V are not applicable to the company. Hence Corporate Governance Report does not form a part of this Board Report, though we are committed for the best corporate governance practices.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to your Company.

#### **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

In terms of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code of Conduct prohibiting, regulating and monitoring the dealings in the securities of the Company by Directors, Designated Employees and Connected Persons while in possession of unpublished price sensitive information in relation to the securities of the Company. The code of conduct is available at the Company's website at [www.alfaica.com](http://www.alfaica.com) under investor segment.

#### **STATUTORY AUDITOR AND THEIR REPORT:**

The Company has appointed M/S V J Maru and Associates (Firm Registration No. 0134788W), Chartered Accountants as Statutory Auditor of the company from the conclusion of ensuing AGM i.e. 11<sup>th</sup>(Eleventh) Annual General Meeting of the Company till the conclusion of the 14<sup>th</sup> (Fourteenth) Annual General Meeting of the company.

The Notes to the Standalone Financial Statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act 2013.

The Auditors' Report does not contain any qualification reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

In terms of Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 a review of the performance of the Company for the year under review Management Discussion and Analysis Report is presented in a separate section which is annexed to this Report as **Annexure - D**.

#### **INTERNAL AUDITOR AND HIS REPORT:**

The Company has appointed M/s. N. C. Vasa & Co.(FRN: 125841W), Chartered Accountants, Ahmedabad, to conduct the internal audit of the Company for the Financial Year 2022-23, as required under Section 138 of the Companies Act, 2013 and Rules thereunder. Board of Directors taken note of recommendation of him and implement the same.

#### **SECRETARIAL AUDITOR AND THEIR REPORT:**

The Company has appointed Mr. Mehul Raval, Practicing Company Secretaries, to conduct the secretarial audit of the Company for the Financial Year 2022-23, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the Financial Year 2022-23 is annexed to this report as an **Annexure - E**.

#### **REPORTING OF FRAUD:**

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

#### **WEBSITE:**

As per Regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 the Company has maintained a functional website namely "www.novateor.com" containing basic information about the Company. The website of the Company is containing information like Policies, Shareholding Pattern, Financial and information of the designated officials of the Company who are responsible for assisting and handling investor grievances for the benefit of all stakeholders of the Company etc.

#### **DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE 2016:**

During the year under review, there were no application made or proceeding in the name of the company under the Insolvency and Bankruptcy Code 2016.

#### **DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS:**

During the year under review, there were no one time settlement of loan taken banks and financial Institutions.

#### GENERAL DISCLOSURE:

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134 (3) of the Act and Rule 8 of The Companies (Accounts) Rules 2014 and other applicable provisions of the act and listing regulations to the extent the transactions took place on those items during the year. Your Directors further state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- (i) Details relating to deposits covered under Chapter V of the Act;
- (ii) Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
- (iii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;
- (iv) Annual Report and other compliances on Corporate Social Responsibility;
- (v) There is no revision in the Board Report or Financial Statement;
- (vi) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

#### ACKNOWLEDGEMENT:

Your Directors acknowledge the dedicated service of the employees of the Company during the year. They would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from bankers, business partners and other stakeholders.

#### ANNEXURE - A

##### NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in Compliance with Section 178 of the Companies Act, 2013, as amended from time to time. This policy on Nomination and Remuneration of the Directors, Key Managerial Personnel and Senior Management has been approved by the Board of Directors in its duly held Board Meeting dated 15<sup>th</sup> July, 2019.

Our Policy on the Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel provides a framework based on which our human resources management aligns their recruitment plans for strategic growth of the Company.

#### DEFINITIONS:

“Act” means the Companies Act, 2013 and rules framed there under, as amended from time to time.

“Board of Directors” or “Board”, in relation to the Company, means the collective body of the Directors of Company.

“Committee” means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

“Company” means Novateor Research Laboratories Limited.

“Managerial Personnel” means Managerial Personnel or Persons, applicable under Section 196 and other applicable provisions of the Companies Act, 2013.

“Policy” or “This Policy” means Nomination and Remuneration Policy.

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-Tax Act, 1961;

“Key Managerial Personnel” means an Individual as defined under Section 2(51) and Section 203 of the Companies Act, 2013:

- i) the Chief Executive Officer or the Managing Director or the Manager;
- ii) the Company Secretary;
- iii) the Whole-Time Director;
- iv) the Chief Financial Officer;
- v) such other officer, not more than one level below the directors who is in the whole-time employment, designated as key managerial personnel by the Board; and
- vi) such other person as may be prescribed by the Company from time to time.

“Senior Managerial Personnel” means officers/personnel of the listed entity who are members of its core management team excluding the Board of Directors and normally this shall comprise all members of management one level below the chief executive director/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the Board) and shall specifically include company secretary and chief financial officer.

#### PURPOSE:

Pursuant to the Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors shall constitute the Nomination and Remuneration Committee, to guide the Board on various issues on appointment, evaluate the performance, remuneration of Directors, Key Managerial Personnel, etc.

#### CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:

The Board has constituted the “Nomination and Remuneration Committee” of the Board on 15<sup>th</sup> July, 2019. This is in line with the requirements under the Companies Act, 2013.

#### APPLICABILITY:

This Policy is applicable to all Directors, Key Managerial Personnel and Senior Managerial Personnel and such other officer as may be prescribed by the Board of Novateor Research Laboratories Limited.

#### OBJECTIVE:

The objective of the Policy is to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and;
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

#### ROLE OF THE COMMITTEE:

The role of the NRC will be the following:

- 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 employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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 of Directors their appointment and removal and shall carry out evaluation of every director's performance.

#### APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

- 1) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his/her appointment, as per Company's Policy.
- 2) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.
- 3) The Company shall not appoint or continue the employment of any person as Whole-Time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

#### TERM/TENURE:

- 1) **Chairman/Managing Director/Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time under the terms of the applicable provisions of the law. No re-appointment shall be made earlier than one year before the expiry of term.
- 2) **Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- 3) No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director in case such person is serving as a Whole-time Director of Listed Company or such other number as may be prescribed under the Act.

#### EVALUATION:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

#### REMOVAL:

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013 rules and regulations and the policy of the Company.

**RETIREMENT:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL:**

**1) Remuneration to Managing Director/Whole-time Directors:**

- a) The Remuneration/Commission etc. to be paid to Managing Director/Whole-time Directors, etc. shall be governed as per the applicable provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the requisite approvals obtained from the Members of the Company and from other concerned authorities, if required as per the applicable provisions.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/Whole-time Directors.

**2) Remuneration to Non-Executive/Independent Directors:**

- a) The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- b) All the remuneration of the Non-Executive/Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company.
- d) Any remuneration paid to Non-Executive/Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.
- e) The Nomination and Remuneration Committee of the Company, constituted for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share-based payments to be made to Directors (other than Independent Directors).

**3) Remuneration to Non-Executive/Independent Directors:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive any, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy, to the extent it is applicable to the Company.
- b) The Nomination and Remuneration Committee of the Company, constituted for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share-based payments to be made to Key Managerial Personnel and Senior Management.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**IMPLEMENTATION:**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may delegate any of its powers to one or more of its members.

**AMENDMENT TO THE POLICY:**

The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when required. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions of this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc. However, to bring the effects of such amendment(s), clarification(s), etc. Committee may recommend such changes in this Policy to the Board for the approval in the meeting of the Board of Directors.

\*\*\*\*\*

**PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules made there under.

**A. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

- a) The ratio of remuneration of each director to the median remuneration of employees for the Financial Year and the Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year:

Sr. No.	Name	Designation	Nature of Payment	Ratio against median employee's remuneration*	Percentage Increase
1.	Mr. Navdeep Subhashbhai Mehta	Managing Director & Chief Financial Officer	Remuneration	1:1	Not Applicable
2.	Mr. Tejal Navdeep Mehta	Whole Time Director	Remuneration	1:1	Not Applicable
3.	Mr. Jitin Jaysukh Doshi	Non-Executive Director	Sitting Fees	-	Not Applicable
4.	Mr. Anand Rajendra Shah	Non-Executive Independent Director	Sitting Fees	-	Not Applicable
5.	Mr. Chintan Pankaj Shah	Non-Executive Independent Director	Sitting Fees	-	Not Applicable
6.	Mr. Sindhav Vipulbhai	Non-Executive Independent Director	Sitting Fees	-	Not Applicable
7.	Ms. Poonam Pravinbhai Panchal	Company Secretary & Compliance Officer	Remuneration	1:1	Not Applicable

\* During the previous financial year, the company had not change in the Remuneration paid to any Directors, KMPs and Employees of the company. So, there is no change in the ratio against median employee's remuneration.

\*During the year under review, all the Non-Executive Directors of the Company were not paid Sitting Fees for attending the Board Meeting and other Committees Meetings. Hence, the ratio of remuneration of all Non-Executive Directors to the median remuneration of employees are not disclosed or compared.

- b) **The percentage increase in the median remuneration of employees in the financial year:**

There is 0.4% change in median remuneration of the employees in current financial year over the previous financial year.

- c) **The number of permanent employees on the rolls of the Company:**

13 permanent Employees as on 31<sup>st</sup> March, 2023

- d) **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:**

There is no change in the Average salary of employees. The remuneration paid to executive directors were within the limit as per approved by the shareholders of the Company.



**Annexure - C**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**  
(Pursuant to Section 134 (3) (m) of the Companies (Accounts) Rules, 2014 and rules made there under)

**A. CONSERVATION OF ENERGY:**

**i.) The steps taken or impact on conservation of energy:**

The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy.

**ii.) The steps taken by the Company for utilizing alternate sources of energy:**

The Company has not taken any step for utilizing alternate sources of energy.

**iii.) The capital investment on energy conservation equipment:**

During the year under review, Company has not incurred any capital investment on energy conservation equipment.

**B. TECHNOLOGY ABSORPTION:**

**i.) The effort made towards technology absorption:**

The Company has not imported any technology and hence there is nothing to be reported here.

**ii.) The benefit derived like product improvement, cost reduction, product development or import substitution:**

None

**iii.) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -**

a. The details of technology imported: Nil

b. The year of import: Not Applicable

c. Whether the technology has been fully absorbed: Not Applicable

d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

**iv.) The expenditure incurred on Research and Development:**

During the year under review, the Company has not incurred any Expenditure on Research and Development

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

**i.) Details of Foreign Exchange Earnings:**

(In Rs.)

Sr. No.	Particulars	F.Y. 2022-23	F.Y. 2021-22
1.	FOB Value of Export	NIL	NIL

**ii.) Details of Foreign Exchange Expenditure:**

(In Rs.)

Sr. No.	Particulars	F.Y. 2022-23	F.Y. 2021-22
1.	Foreign Exchange Expenditure	NIL	NIL

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### GLOBAL ECONOMY

The global Oral Care Products market is valued at USD 37300 million in 2019. The market size will reach USD 42030 million by the end of 2027, growing at a CAGR of 1.7% during 2021-2027. Oral Care Products market is segmented by Type, and by Application. Players, stakeholders, and other participants in the global Oral Care Products market will be able to gain the upper hand as they use the report as a powerful resource. The segmental analysis focuses on sales, revenue and forecast by Type and by Application for the period 2016-2027.

### INDIAN ECONOMY

India oral care market has shown tremendous growth in the last few years. The market was mainly driven by change in lifestyle of Indian consumers, demand for premium products, rising disposable incomes and awareness regarding hygiene and sanitation. Rise in awareness of oral hygiene has created a huge demand for premium and innovative products in metros and urban cities. Penetration level of oral care products in urban area is high as compare to that of rural area. Low penetration level in rural area poses latent opportunity for global as well as domestic players to grow the presence of their oral care products in India. As a result, players are now focusing more into rural cities and villages to increase the penetration as well as their product sales. Rural Indian consumers have started shifting to toothpaste & toothbrushes from toothpowder. Premium products like mouthwash have gained popularity among rich and upper middle class consumers. Although the market is growing at a fast pace, per capita consumption of oral care products in India is very low as compared to countries like U.S, China etc.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

According to "India Oral Care Market Outlook, 2022" the oral care market is categorized into five major categories viz. toothpaste, toothbrush, toothpowder, mouthwash and others. Toothpaste dominates the space as it is a primary product for Indians in their daily oral hygiene care and has huge presence in urban as well as rural India. Toothpaste market is further segmented into two product types - regular whites and gel. With regards to the benefits, toothpaste is also segmented into Standard/ General, Herbal/ Naturals, Sensitivity and Beauty & Whitening. Among all, demand for herbal toothpaste is increasing in the country and currently is a hot favorite trend among consumers as well as companies, who are trying to launch as many herbal variants as possible. Toothbrushes are the second largest category in the oral care market. They have two product types, one is manual and the other is electric & battery powered. Manual toothbrushes have huge potential in Indian oral care market whereas electric toothbrush is a niche product type with limited number of rich people experimenting with it.

Toothpowder category is at a declining stage due to changing consumer taste and preferences. Before some years, toothpowder had huge presence in rural India but now even they are shifting towards toothpaste. Mouthwash falls under premium category and comes as a secondary product for oral hygiene. Consumers are bending towards mouthwash products for better oral hygiene. Others products like tongue cleaners and dental floss are expanding gradually in the Indian market.

### OPPORTUNITIES

Oral hygiene awareness is one of the major contributors to market growth in the overall oral care/oral hygiene market through efforts made by dentists as well as key players in the market. These stakeholders conduct various seminars and programs & take part in various Exhibitions to increase awareness of dental hygiene and demonstrate newly launched and technologically advanced products. This helps players to showcase their product portfolio, thereby raising the adoption of oral care products.

There has been a marked shift in the retailing of oral care products across the globe in recent years. Online retailers are gradually being preferred over traditional distributors, retailers, and pharmacies. Purchasing oral care products through e-commerce portals offers several advantages, such as the availability of multi-brand oral care products at relatively lower prices, ease of purchasing, and free shipping. The successful sale of oral care products through e-commerce has prompted increasing investment towards these channels by major market players.

### THREATS

Customers are not that much aware about Products of the Company as they are innovative and first timed launched in India. The oral care/oral hygiene market is highly competitive, with a growing number of players operating at the regional level. The emergence of local players in developing markets such as India, China, and Brazil further increases the pricing pressure on global players. Local/regional players offer oral care products at discounted prices as compared to the global players and sell their products through e-commerce channels at low prices, creating pricing pressure on global players.

### SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

The oral care/oral hygiene market is broadly segmented by product categorized into Teeth Whitening Strips, toothpaste, toothbrushes & accessories, mouthwashes/rinses, denture products, dental accessories/ancillaries, and dental prosthesis cleaning solutions. The growth in this market is mainly due to growing awareness about oral health and technological innovations.

### OUTLOOK

Geographically, the global oral care/oral hygiene market is segmented into North America, Europe, the Asia Pacific, Latin America, and the Middle East & Africa. Asia Pacific is expected to show the highest growth rate during the forecast period. The high growth rate of this region can mainly be attributed to the increase in the number of the geriatric population associated with growing prevalence of dental caries and other periodontal diseases in children and adults, increasing healthcare expenditure (coupled with the rising disposable income), rising awareness about oral healthcare, and willingness to spend more on dental care. Moreover, increasing the focus of prominent players in emerging Asian countries will further support the growth of the market in this region.

#### RISKS & CONCERNS

Volatility in input costs and foreign exchange continues to remain a risk coupled with general slowdown in the economy. The market is highly fragmented with the presence of numerous small and large manufacturers who compete in terms of prices and quality. In today's complex business environment almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success. Timely and effective risk management is of prime importance to our continued success.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains an adequate and effective Internal Control System, equivalent with its size and complexity. It believes that these systems provide, among other things, a reasonable assurance that transactions are executed with management authorization. It also ensures that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles, along with the assets of the Company being adequately safeguarded against significant misuse or loss. This is supplemented through an extensive internal audit programme and periodic review by the management and the Audit Committee.

#### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company's financial performance for the year ended 31<sup>st</sup> March, 2023 is summarized below:

(In Rs.)

PARTICULARS	STANDALONE - YEAR ENDED	
	31.03.2023	31.03.2022
I. Net Sales/Income from Operations	12,600,981	7,419,065
II. Other Income	4,898,009	4,842,582
III. Total Revenue (I+II)	17,498,990	12,261,647
IV. Earnings Before Interest, Taxes, Depreciation and Amortization Expense	1,524,056	(1,731,798)
V. Finance Cost	271,140	5,798
VI. Depreciation and Amortization Expense	857,680	865,021
VII. Profit Before Tax (IV-V-VI)	395,236	(2,602,617)
VIII. Tax Expense:		
Less: Current Tax Expense	11,850	26,000
Less: Deferred Tax	16,840	(344,597)
Profit After Tax (VII-VIII)	366,546	(2,284,020)

#### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

The company believes that 'great people create great organizations. The Company's relations with the employees continued to be cordial and harmonious with its employees. It considers manpower as its assets and that people had been driving force for growth and expansion of the Company. The Company acknowledge that its principal assets is it employees. The Company has continued its efforts in building a diverse and inclusive workforce. The Company will continue to create opportunity and ensure recruitment of diverse candidates without compromising on meritocracy. Hence, it remains committed in creating an engaging environment and a learning culture which facilitates each member to gather knowledge, sharpen their skills and deliver superior performance.

#### CAUTIONARY STATEMENT

Statement in this report describing the Company's objectives projections estimates and expectation may constitute "forward looking statement" within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumption and expectations of future events. These Statements are subject to certain risk and uncertainties. The Company cannot guarantee that these assumption and expectations are accurate or will be realized. The actual results may different from those expressed or implied since the Company's operations are affected by many external and internal factors which are beyond the control of the management. Hence the Company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments information or events.

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended 31<sup>st</sup> March, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
NOVATEOR RESEARCH LABORATORIES LIMITED  
Ahmedabad

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NOVATEOR RESEARCH LABORATORIES LIMITED (CIN: L24230GJ2011PLC064731) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the NOVATEOR RESEARCH LABORATORIES LIMITED 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 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 :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 According to the provisions of:

- i. The Companies Act, 2013(the Act) and the rules made there under;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and Regulations and Bye-Laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **(The Company does not have ECB)**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'): -
  - 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;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**
  - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**
- vi. Other laws as may be applicable specifically to the company as per ANNEXURE I

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, standards etc mentioned above subject.

I 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.

DIN/DPIN/PAN	Full Name	Designation	Date of Appointment	Type
02104452	ANAND RAJENDRA SHAH	Director	01/05/2019	Independent Director
03441577	TEJAL MEHTA	Whole Time Director	01/04/2011	Woman Director
ABIPM7813L	NAVDEEP MEHTA	CFO(KMP)	24/06/2019	CFO/KMP
03441623	NAVDEEP MEHTA	Managing Director	01/04/2011	Managing Director
BQLPP6934N	POONAM PRAVINBHAI PANCHAL	Company Secretary	14/10/2019 to 08/07/2023	Company Secretary
08510947	CHINTAN PANKAJ SHAH	Director	15/07/2019	Independent Director
08595440	VIPULBHAI SINDHAV	Director	24/10/2019	Independent Director
07325340	JITIN JAYSUKH DOSHI	Director	01/09/2022	Professional Director

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

**None of the Director is disqualified under Section 164(2) of CA-2013 as per the records available on the portal.**

I further report that during the audit period, there were no instances of:

- I. Public/Rights/Preferential issue of Shares/debentures/ sweat equity of the Company.
- II. Redemption/buy-back of securities.
- III. Merger/ amalgamation/ reconstruction etc.
- IV. Foreign technical collaborations.

**However**

- The Company has filed the Annual Returns and Balance Sheet with the Office of Registrar of Companies-Gujarat and has KMPs in line with Section 203 of CA-2013.
- Details of Committees Formed are available on the website of the Company. The Company is not under the gamut of CSR as per Section 135 of CA-2013.
- Since the Paid up Share capital of the Company is not exceeding ten crores and net worth of the Company is not exceeding Twenty Five Crores and considering this Regulation 17, 17A, 18, 19, 20,21,22,23,24& 24 A, 25, 26 and 27 and Schedule V of SEBI (LODR) Regulations, 2015 which is amended from time to time shall not apply to the Company.

For, MEHUL KEDARBHAI RAVAL  
Practicing Company Secretary

Date : 26-08-2023  
Place : Ahmedabad

Mem. No. A28155  
COP No.10500

**ANNEXURE I**

Management has identified and confirmed the following laws as specifically applicable to the Company.

- Prevention of Sexual Abuse.
- Taxation Laws
- GST
- Indian Stamp Act
- Laws of Registration
- Negotiable Instrument Act
- Shops and Establishment Act
- Professional Tax
- Pollution Control Laws
- Indian Contract Act
- Drugs and Cosmetics Act, 1940
- Factories Act and Labour laws
- Transfer of Properties Act
- And other laws as may be applicable from time to time

During the period under review the Company has generally complied with the material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have not checked about the Compliance of GST and Income Tax as the separate audit under these fiscal laws are being done by the separate qualified professional(s).

Date: 26-08-2023  
Place: Ahmedabad

For, MEHUL KEDARBHAI RAVAL  
Practicing Company Secretary

Mem. No. A28155  
COP No.10500

**ANNEXURE II**

To,  
The Members  
NOVATEOR RESEARCH LABORATORIES LIMITED  
Ahmedabad

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

- Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 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 the 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.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- Wherever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
- The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 26-08-2023  
Place: Ahmedabad

For, MEHUL KEDARBHAI RAVAL  
Practicing Company Secretary

Mem. No. A28155  
COP No.10500

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Novateor Research Laboratories Ltd.

### Report on the Audit of Financial Statements Opinion

#### Opinion

We have audited the accompanying financial statements (The Statement") of Novateor Research Laboratories Ltd. ('the Company) which comprise the Balance sheet as at 31st March 2023, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of the 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, these annual standalone annual financial results:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations 2015 as amended and

(ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other financial information for the year ended 31<sup>st</sup> March 2023.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results 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

We have determined that there are no key audit matters to communicate in our report.

### Responsibilities of Management and Those Charged with Governance 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 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the company's financial reporting process.

### Auditor's Responsibilities for the 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 results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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)(i) 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.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the Financial Statements for the year ended 31 March 2023, we report the following:

Sl. No.	Comment Required on	Auditor's Opinion on Following Matter	Auditor's Remark
(i)	Fixed Assets	(A) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes the company is maintaining full particulars of fixed assets
		(B) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Yes the Management verifies the fixed assets at regular intervals and as informed to us no material discrepancies were noticed on such verification between Physical fixed Assets and fixed assets as per Books
		(C) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	Yes Title deeds of the immovable property are held in the name of the company.

(ii)	Inventory	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	The inventory has been physically verified by the management from time to time. As informed to us no material discrepancies were noticed on such verification between Physical Stock and Stock as per Books
(iii)	Loans Secured or Unsecured Granted	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	Not Applicable. No Loans and Advances have been given to any company, firm, LLP or other Parties covered under Section 189 of the companies Act, 2013
		(A) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	NA
		(B) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	NA
		(C) If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	NA
(iv)		In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	Complied With.
(v)	Public Deposits	In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The company has not accepted any deposits from the Public. As on 31.03.2023 there are no Public deposits Payable by the company.
(vi)	Cost Accounting Records	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	Not Applicable
(vii)	Statutory Compliance	(a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	The company has paid all its liabilities in respect of all direct and indirect taxes and there is No such overdue amount.
		(b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	No
(viii)	Loan from Banks/ Financial Institution	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).	No
(ix)	Application of Money Received from Equity or Loan	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	Yes. The company has raised funds by way of IPO in FY 2019-20 which has been utilized for the purpose of business.
(x)	Fraud Reporting	Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	No Such Fraud noticed during the course of audit. The Written representation from management has been obtained that no fraud incidence has been noticed by them.

(xi)	<b>Managerial Remuneration</b>	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	Yes -Complied With. The remuneration paid to director's are for professional duties undertaken by them.
(xii)	<b>Nidhi Company - Compliance with Deposits</b>	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	Not Applicable
(xiii)	<b>Related Party Transactions</b>	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	Yes. Complied with. All transactions with related parties are disclosed in the notes to accounts forming part of financial statements.
(xiv)	<b>Issue of Share Capital and use of Amount Raised</b>	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	Not Applicable.
(xv)	<b>Transaction with Director</b>	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	No such transaction entered
(xvi)	<b>Registration from RBI</b>	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	No the company is not required to be registered under Section 45-IA of the Reserve Bank of India.

For, V J Maru & Associates  
Chartered Accountants

Vanraj J Maru  
Proprietor  
Membership No. 0141899  
FRN No. 0134788W  
Date : 30.05.2023  
UDIN : 23141899BGTGCB4230

**Annexure - B to Independent Auditors' Report - 31st March 2023**  
(Referred to in our report of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of **Novateor Research Laboratories Limited** as at 31<sup>st</sup> March 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended as on 31<sup>st</sup> March 2023.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the 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 the Institute of Chartered Accountants of India and the Standards on Auditing, 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:

- (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) 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
- (c) 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 Limitation of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, V J Maru & Associates**  
**Chartered Accountants**

**Vanraj J Maru**  
**Proprietor**  
**Membership No. 0141899**  
**FRN No. 0134788W**  
**Date : 30.05.2023**  
**UDIN : 23141899BGTGCB4230**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2023**

(In Rs.)

Particulars	Note No.	As at 31 <sup>st</sup> March, 20223	As at 31 <sup>st</sup> March, 2022
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	2	48,341,700	48,341,700
(b) Reserves and Surplus	3	30,466,644	30,076,087
<b>2. Share Application Money Pending Allotment</b>		-	-
<b>3. Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	6,820,497	2,366,146
(b) Deferred Tax Liabilities (Net)	5	122,881	106,041
(c) Other Long-Term Liabilities		-	-
(d) Long Term Provisions		-	-
<b>4. Current Liabilities</b>			
(a) Short-Term Borrowings	6	1,753,310	-
(b) Trade Payables	7	1,816,321	287,523
(c) Other Current Liabilities	8	(522,626)	(90,854)
(d) Short Term Provisions	9	215,453	318,774
<b>TOTAL</b>		<b>89,014,180</b>	<b>81,405,417</b>
<b>II ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plants and Equipment	10	22,149,218	19,445,576
i) Tangible Assets		-	-
ii) Intangible Assets		-	-
iii) Capital Work-In-Progress		-	-
(b) Non-current Investments	11	98,600	98,250
(c) Deferred Tax Assets (NET)	5	-	-
(d) Long-term Loans and Advances	12	-	-
(e) Other non-current assets	13	484,438	819,962
<b>2. Current Assets</b>			
(a) Inventories	14	5,631,720	4,994,880
(b) Trade receivables	15	7,038,731	4,334,612
(c) Cash and Bank Balances	16	2,222,879	4,752,066
(d) Short-Term Loans and Advances	17	1,883,506	1,853,169
(e) Other current assets	18	49,505,088	45,106,902
<b>TOTAL</b>		<b>89,014,180</b>	<b>81,405,417</b>
Summary of Significant Accounting Policies and Notes to Accounts an integral part of the Balancesheet	1		

As per our report of event date

For, V J Maru & Associates  
Chartered Accountant

For and on behalf of Board of Directors  
Novateor Research Laboratories Limited

For and on behalf of Board of Directors  
Novateor Research Laboratories Limited

Vanraj J Maru  
Proprietor  
Membership No.: 0141899  
FRN No. : 0134788W  
UDIN- 23141899BGTGCB4230

NavdeepSubhashbhaiMehta  
Managing Director & CFO  
DIN: 03441623

TejalNavdeepMehta  
Whole Time Director  
DIN: 03441577

Date: 30<sup>th</sup> May, 2023  
Place: Ahmedabad

Date: 30<sup>th</sup> May, 2023

Poonam Pravinbhai Panchal  
Company Secretary  
Place: Ahmedabad

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2023**

(In Rs.)

Particulars	Note No.	Year ended on 31 <sup>st</sup> March, 2023	Year ended on 31 <sup>st</sup> March, 2022
I. Revenue from Operations	19	12,600,981	7,419,065
II. Other Income	20	4,898,009	4,842,582
III. Total Revenue (I + II)		17,498,990	12,261,647
<b>EXPENSES:</b>			
Raw material Consumption	21	9,825,206	5,778,300
Changes In Inventories Of Finished Goods/ Traded Goods	22	(181,420)	(497,040)
Employee Benefit Expense	23	3,851,075	2,216,530
Finance Cost	24	271,140	5,798
Depreciation	10	857,680	865,021
Other Expenses	25	2,480,073	1,776,351
Extraordinary Items		-	4,719,304
IV. Total Expenses		17,103,754	14,875,923
V. Profit before tax (III-IV)		395,236	(2,602,617)
VI. Tax Expense:			
i. Current Income Tax		11,850	26000
ii. Deferred Tax		16,840	(344,597)
IX. Profit (Loss) for the period (VI - V)		366,546	(2,284,020)
X. Earnings per Equity Share: (In ₹)			
i. Basic		0.08	(0.47)
ii. Diluted		0.08	(0.47)
Summary of Significant Accounting Policies and Notes Forming Part of Financial Statement			

\* Not Annualised, Except Year End Basic and Diluted EPS

Significant Accounting policies and

1

Notes to Accounts forming an integral part of the Balance Sheet

As per our report of event date

For, V J Maru & Associates  
Chartered Accountant

For and on behalf of Board of Directors  
Novateor Research Laboratories Limited

For and on behalf of Board of Directors  
Novateor Research Laboratories Limited

Vanraj J Maru  
Proprietor  
Membership No.: 0141899  
FRN No. :0134788W  
UDIN- 23141899BGTGCB4230

Navdeep Subhashbhai Mehta  
Managing Director & CFO  
DIN: 03441623

Tejal Navdeep Mehta  
Whole Time Director  
DIN: 03441577

Date: 30<sup>th</sup> May, 2023  
Place: Ahmedabad

Date: 30<sup>th</sup> May, 2023

Poonam Pravinbhai Panchal  
Company Secretary  
Place: Ahmedabad

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2023**

PARTICULARS	(In Lacs)	
	Year ended on 31 <sup>st</sup> March, 2023	Year ended on 31 <sup>st</sup> March, 2022
<b>I. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	3.67	(22.84)
<u>Adjustments for:</u>		
Depreciation & Amortization	8.58	8.65
Interest / Finance Charges	2.71	0.06
Prior Period Adjustment	3.36	3.36
<b>Operating Profit Before Working Capital Changes</b>	<b>18.31</b>	<b>(10.78)</b>
<u>Adjustments for Changes in Working Capital</u>		
(Increase)/ Decrease in Inventories	(6.37)	(2.43)
(Increase)/ Decrease in Debtors	(27.04)	(18.82)
(Increase)/ Decrease in Other Current Assets	(43.98)	(84.45)
(Increase)/ Decrease in Loans & Advances	(0.30)	(18.17)
Increase/ (Decrease) in Trade Payables	15.29	(1.72)
Increase/ (Decrease) in Current Liabilities	(4.32)	1.99
Increase/ (Decrease) in Provisions	(1.03)	(3.42)
<b>Cash Generated from Operations</b>	<b>(49.45)</b>	<b>(137.80)</b>
Taxes Paid	0.12	0.26
<b>Net Cash Generated from Operations</b>	<b>(49.57)</b>	<b>(138.06)</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
(Increase) / Decrease in Fixed Assets (net)	29.94	150.71
(Increase) / Decrease in Investments & Accrued	0.00	0.00
Interest Thereon	0.00	0.00
<b>Net Cash Generated from Investing Activities</b>	<b>29.94</b>	<b>150.71</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Share Capital Issued (Net)	0.00	0.00
Proceeds from Securities Premium	0.00	0.00
Increase / (Decrease) in Long term Borrowings	44.54	9.53
(Increase )/ Decrease in Long term Loans and Advance	3.36	11.15
Interest Expenses	(6.06)	14.20
<b>Net Cash Generated from financing Activities</b>	<b>41.84</b>	<b>34.89</b>
Net Increase / (Decrease) in Cash & Cash Equivalents	22.22	47.52
Opening Balance of Cash & Cash Equivalents	47.52	69.37
Closing Balance of Cash & Cash Equivalents	22.23	47.52
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(25.29)</b>	<b>(21.84)</b>



For, V J Maru & Associates  
Chartered Accountant

Vanraj J Maru  
Proprietor  
Membership No.: 0141899  
FRN No. :0134788W  
UDIN- 23141899BGTGCB4230

Date: 30<sup>th</sup> May, 2023  
Place: Ahmedabad

For and on behalf of  
Board of Directors  
Novateor Research  
Laboratories Limited

Navdeep Subhashbhai  
Mehta  
Managing Director &  
CFO  
DIN: 03441623

Date: 30<sup>th</sup> May, 2023

For and on behalf of  
Board of Directors  
Novateor Research  
Laboratories Limited

Tejal Navdeep Mehta  
Whole Time Director  
DIN: 03441577

Poonam Pravinbhai  
Panchal  
Company Secretary  
Place: Ahmedabad

Note No.: 1

I. Corporate information:

Our Company was originally incorporated as Novateor Research Laboratories Private Limited on April 01, 2011 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat. Subsequently, the company was converted into Limited and name of the company was changed from "Novateor Research Laboratories Private Limited" to "Novateor Research Laboratories Limited" under the Companies Act, 2013 pursuant to a special resolution passed by our shareholders at the EGM held on April 12, 2019 and had obtained fresh certificate of incorporation dated April 22, 2019 issued by the Registrar of Companies, Gujarat. The CIN of the Company L24230GJ2011PLCO64731.

Our company is promoted by Mr. Navdeep S Mehta and Mrs. Tejal N Mehta; Our individual promoters manage and control the major affairs of our business operations. Through their combined 10 plus years of experience, industry knowledge and understanding, our company has a competitive advantage over our competitors which enables us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. The company came up with an Initial Public Offer which has got listed on the BSE SME Platform on 13.09.2019 with ISIN INE08JY01013 and trading ID 542771.

II. Basis of Preparation

"The financial statement are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the notified sections, schedules and rules of the Companies Act 2013 including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("tire Act") read with Rule 7 of Companies (Accounts) Rules, 2014)."

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known/materialized.

III. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks (other than deposits pledged with government authorities and margin money deposits) with an original maturity of three months or less, highly liquid investments that are readily convertible in to cash and which are subject to insignificant risk of changes in values. The yearend cash balance as on 31.03.2022 is as certified by the directors of the company.

4. Property, Plant & Equipment

Property, Plant & Equipment including intangible assets are stated at their original cost of acquisition including taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets less depreciation till date.

Company has adopted cost model for all class of items of Property Plant and Equipment.

Immovable property being Land is revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in the asset Value, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognized against the asset revaluation reserve. All other decreases in carrying amounts are recognised as a loss in the statement of

Profit & Loss. As the revaluation of land has been undertaken there arises no need to provide Depreciation and hence the value of asset has been shown at historical cost plus revaluation value.

**5. Depreciation**

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. All fixed assets individually costing Rs. 5000/- or less are fully depreciated in the year of installation/purchase. Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

**6. Impairment**

The carrying amounts of property, plant & equipment are reviewed at each balance sheet date to determine, if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of the property, plant & equipment exceeds its recoverable amount which represents greater of the "net selling price" and "value in use" of the respective assets. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

**7. Revenue Recognition**

- Sales are recognized when goods are supplied. Sales are net of trade discounts and rebates. It does not include interdivisional sales.
- Revenue in respect of other items is recognized when no significant uncertainty as to its determination or realization exists.
- **Other Income:** Dividend income on investments is recognized when the right to receive dividend is established. Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest.

**8. Segment Reporting**

As the Company's principle business activities fall within the single segment, the disclosure requirement of Accounting Standard 17 on Segment Reporting prescribed u/s 133 of the Companies Act, 2013 ("The Act") read with Rule 7 of the Companies (Accounts) Rule, 2014 is not applicable.

**9. Inventories**

Items of Inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other cost including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, stores and spare, packing materials, trading and other products are determined on weighted average basis. By- Products are valued at net realizable value. The closing stock as on the balance sheet date is as certified by the directors of the company.

**10. Borrowing cost**

Borrowing costs that are attributable to the acquisition or construction of the qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended uses or sale. All other borrowing costs are charged to revenue in the year of incurrence. The amount of borrowing cost capitalized during the year is Nil.

**11. Employee Benefits**

Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.

Post-employment and other long term employee benefit are recognized as an expense in the Profit and Loss account for the year in which the liabilities are crystallized.

**12. Taxation**

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the Year. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date.

In case the Company is liable to pay income tax under provision of Minimum Alternate Tax r-r/s. 115J8 of Income Tax Act, 1961, the amount of tax paid in excess of normal income tax liability is recognized as an asset only if there is convincing evidence for realization of such asset during the specified period. MAT Credit Entitlement is recognized in accordance with

the Guidance Note on accounting treatment in respect of Minimum Alternate Tax (MAT) issued by The Institute of Chartered Accountants of India.

### 13. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

### 14. Principles of consolidation

The Company as on date does not have any subsidiary and hence no consolidation of accounts has been undertaken.

### 15. Foreign currency Transactions

Transactions arising in foreign currencies during the year are converted at the rates closely approximating the rates ruling on the transaction dates. Liabilities and receivables in foreign currency are restated at the year-end exchange rates. All exchange rate differences arising from conversion in terms of the above are included in the statement of profit and loss.

### 16. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### 17. Retirement Benefits

The Company has not entered in any formal plan or agreement with Individual employee, group of employees or their representatives for retirement benefits. Hence its recognition, measurement and disclosures are not made.

### 18. Provisions, Contingent Liabilities and Contingent Assets (AS-29)

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities is disclosed in Notes to the account for:

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or
- (ii) Present Obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statement since this may result in the recognition of the income that may never be realized.

#### General:

Except wherever stated, accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.

### (B) Notes on Financial Statements

1. The SSI status of the creditors is not known to the Company; hence the information is not given.
2. Salaries includes directors' remuneration on account of salary Rs. 3,00,000/- (Previous Year Rs. 3,00,000/-)
3. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.
4. Payments to Auditors:

Auditors Remuneration	2022-23	2021-22
Audit Fees	30000	30000
Tax Audit Fees	0	0
Company Law Matters	0	0

GST	0	0
Total	30000	30000

5. Loans and Advances are considered good in respect of which company does not hold any security.
6. No provision for retirement benefits has been made, in view of accounting policy No. 17. The impact of the same on Profit & Loss is not determined.
7. Advance to others does not include any advances to concerns in which directors are interested.
8. Related Party disclosure as identified by the company and relied upon by the auditors.
9. During the year; the company has availed term loan and working capital facilities. These credit facilities are secured by charge on the current and fixed assets of the company and further secured by the assets belonging to the promoter Group.
10. The term loan is repayable in installments but no provision has been made for repayment as repayment will commence after moratorium period which will commence in next financial year. Cash Credit limit is also secured by charge on the current assets of the company and further secured by charge on immovable property owned by Promoter group and personal guarantee of directors.

**(A) Related Parties and their Relationship**

(I) Key Management Personnel

1. Navdeep Subhashbhai Mehta
2. Tejal Navdeep Mehta
3. Poonam Pravinbhai Panchal - Company Secretary

(II) Relative of Key Management Personnel

1. Jyoti Mehta - Mother of the Director
2. Subhashbhai Mehta
3. Navdeep Mehta HUF

(III) Enterprises owned or significantly influenced by Key Management personnel or their relatives: Nil

Transactions with Related parties

(In Rs.)

Particulars	Transactions during the year			
	2022-23		2021-22	
	Key Management Personnel	Relative of Key Management Personnel	Key Management Personnel	Relative of Key Management Personnel
Advance Paid	0	0	0	0
Received Back	0	0	0	0
Deposit/USL Received	1,235,800	600,000	246,763	700,000
Deposit/ USL Repaid	80,449	100,000	412,083	605,000
Interest Received	0	0	0	0
Interest Paid	0	0	0	0
Remuneration Paid	960,000	0	857,600	0
Purchase	0	0	0	0
Rent Paid	594,400	140,000	240,000	0
Other Payment	0	0	0	0
Job Charges	0	0	0	0

### Outstanding Balances

Particulars	2022-23		2021-22	
	Key Management Personnel	Relative of Key Management Personnel	Key Management Personnel	Relative of Key Management Personnel
Loans Taken	3,521,497	500,000	2,071,146	295,000
Loans Repaid	0	0	0	0

11. Expenditure in Foreign Currency Nil Nil
12. Earning in Foreign Exchange Nil Nil
13. Previous year figures have been regrouped/rearranged wherever necessary.

### Additional Regulatory Information as required by Schedule III of the Companies Act, 2013

- The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- The Company has not revalued its property, plant and equipment during the current financial year.
- There is no proceedings that have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- During the year the Company has not availed any overdraft facility or any other credit facilities from any bank or financial institutions. The company is not required to submit any financial statements quarterly or half yearly to any financial institutions other than as required for listing of the shares of the company on stock exchange.
- The Company has used the IPO funds for the specific purpose for which it was obtained.
- The Company is not declared willful defaulter by any bank or financial institution or lender. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- The company does not have any transaction with any company which has been Struck off by the ministry of company's affairs under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- During the year the Company has not proposed any Scheme of Arrangements.
- The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- During the current financial year, the Company does not have any such transaction which is not recorded in the books of accounts, that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). The Company does not have any previously unrecorded income.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year.

### Note No.: 2 SHARE CAPITAL

Particular	31.03.2023	31.03.2022
<b>Authorised Share Capital</b>		
48,80,000 Equity Shares of Rs. 10/- each	48,800,000	48,800,000
<b>Issued, Subscribed and Paid Up Share Capital</b>		
48,34,170 Equity Shares of Rs. 10/- each	48,341,700	48,341,700
<b>Total</b>	<b>48,341,700</b>	<b>48,341,700</b>

Reconciliation of the number of shares outstanding is set out below				
Particulars	31.03.2023		31.03.2022	
	Equity Shares		Equity Shares	
	Number	Number	Number	In Rs.
Shares outstanding at the beginning of the year	4,834,170	48,341,700	4,834,170	48,341,700
Add:-Shares Issued during the year				
Fresh Issue	-	-	-	-
Bonus Shares Issued				
Less: Shares bought back during the year				
Other Changes	-	-	-	-
Shares outstanding at the end of the year	4,834,170	48,341,700	4,834,170	48,341,700

Details of Shareholders holding more than 5 % shares				
Name of Shareholder	31.03.2023		31.03.2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Navdeep Mehta	1,428,858	29.56	1428,858	29.56
Tejal Mehta	540,378	11.18	540,378	11.18
Subhash Mehta	249,588	5.16	249,588	5.16
Jyoti Mehta	659,898	13.65	659,898	13.65
Shah Investor's Home Ltd.	174,000	3.60	264,000	5.46

Details of Promoters Shareholding				
Name of Shareholder	31.03.2023		31.03.2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Navdeep Mehta	1,428,858	29.56	1428,858	29.56
Tejal Mehta	540,378	11.18	540,378	11.18
Subhash Mehta	249,588	5.16	249,588	5.16
Jyoti Mehta	659,898	13.65	659,898	13.65

\* No Change in Promoter's Shareholding during the Year.

**NOTE- 2B. STATEMENTS OF CHANGES IN EQUITY**

Particulars	2022-23	2021-22
Balance at the beginning of the current reporting period	4,83,41,700	4,83,41,700
Changes in Equity Share Capital due to prior period error	-	-
Related Balance at the beginning of the current reporting period	-	-
Changes in Equity Share Capital during the current year	-	-
Balance at the end of the current reporting period	4,83,41,700	4,83,41,700

**NOTE No.:3 RESERVE AND SUPPLUS**

Particular	31.03.2023	31.03.2022
Share Premium		
Opening Balance	27,214,445	27,214,445



Add: Addition during the year	-	-
Less: Transferred Bonus Shares	-	-
<b>Closing Balance</b>	<b>27,214,445</b>	<b>27,214,445</b>
Revaluation Reserve	3,015,228	3,015,228
<b>Profit &amp; Loss Account</b>		
As per Last Year	(153,586)	2,130,434
Addition during the year	366,546	(2,284,020)
Add Previous Year Prov. Writeback	24,011	
<b>Closing Balance</b>	<b>236,971</b>	<b>(153,586)</b>
<b>Total</b>	<b>30,466,644</b>	<b>30,076,087</b>

**NOTE No.:4 LONG TERM BORROWINGS**

Particular	31.03.2023	31.03.2022
<b><u>Secured Loans</u></b>		
Term Loan (Details as Per Notes)	3,299,000	-
<b><u>Unsecured Loans &amp; Long Term Liabilities</u></b>	<b>3,521,497</b>	<b>2,366,146</b>
<b>Total</b>	<b>6,820,497</b>	<b>2,366,146</b>

**NOTE No.:5 DEFERRED TAX LIABILITY (NET)**

Particular	31.03.2023	31.03.2022
<b>Deferred Tax Liability</b>		
Opening Balance	106,041	450,638
Addition during the year	16,840	(344,597)
Less:		
Deferred Tax Assets	-	-
<b>Closing Balance</b>	<b>122,881</b>	<b>106,041</b>

**NOTE No.: 6 SHORT TERM BORROWINGS**

Particular	31.03.2023	31.03.2022
<b><u>From Banks (Details as Per Notes)</u></b>	<b>1,753,310</b>	<b>-</b>
<b><u>From Related Parties</u></b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,753,310</b>	<b>-</b>

**NOTE No.:7 TRADE PAYABLE**

Particular	31.03.2023	31.03.2022
<b>Sundry Creditors</b>		
Due to Micro, Small & Medium Enterprise	1,816,321	287,523
Due to Other than Micro, Small & Medium Enterprise	-	-
<b>Total</b>	<b>1,816,321</b>	<b>287,523</b>

### Ageing of Trade Payables

#### Figures for the Current Reporting Period

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	-	-	-	-
MSME - Dispute dues	-	-	-	-	-
Others	1,816,321	-	-	-	1,816,321
Others- Disputed Dues	-	-	-	-	-
<b>Total</b>	<b>1,816,321</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,816,321</b>

#### Figures for the Previous Reporting Period

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	-	-	-	-
MSME - Dispute dues	-	-	-	-	-
Others	287,523	-	-	-	287,523
Others- Disputed Dues	-	-	-	-	-
<b>Total</b>	<b>287,523</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>287,523</b>

#### NOTE No.:8 OTHER CURRENT LIABILITIES

Particular	31.03.2023	31.03.2022
Interest accrued but not due on borrowings		
<b>Other Payables</b>		
Statutory remittances (Contributions to Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	(522,626)	(90,854)
Installments of Term Loan	-	-
<b>Total</b>	<b>(522,626)</b>	<b>(90,854)</b>

#### NOTE No.: 9 SHORT TERM PROVISIONS

Particular	31.03.2023	31.03.2022
<b>Provision for employee benefits</b>		
Contribution to PF	-	-
Salary & Bonus Payable	203,603	263,603
<b>Provision- Others</b>		
Provision for Income Tax	11,850	26,000
Others	-	29,171
<b>Total</b>	<b>215,453</b>	<b>318,774</b>

**NOTENO.:10 Fixed Assets and Depreciation**

Particulars	Fixed Assets				Depreciation				WDV as on 31.03.2023	WDV as on 31.03.2022	Useful life for Depreciation Calculation
	Opening	Addition during the Year	Sales During the Year	Closing	Opening	Depreciation for the year	Writeback	Total as on 31.03.2023			
<b>Tangible Assets</b>											
LAND	10000000	0	0	10000000	0	0	0	0	10000000	10000000	
BUILDING & CIVIL WORKS	2879650	0	0	2879650	113986	62550	0	176536	2703114	2765664	60
PLANT & MACHINERY	8349770	0	0	8349770	3541830	573152	0	4114982	4234788	4807940	15
OFFICE EQUIPMENTS	31931	102340	0	134271	7963	11604	0	19567	114704	23968	5
FURNITURE & FIXTURE	34221	21186	0	55407.44	19505	3250	0	22755	32652	14716	10
PRINTER	252384	0	0	252384	152208	24627	0	176835	75549	100176	8
CAR	1400000	0	0	1400000	568050	166250	0	734300	665700	831950	8
LAPTOP	200000	0	0	200000	182901	32494	0	199148	852	17099	3
WIP Building	884062	3437796	0	4321858	0	0	0	0	4321858	884062	
<b>GRAND TOTAL</b>	<b>24032018</b>	<b>3561322</b>	<b>14721394</b>	<b>27593340.44</b>	<b>4586442</b>	<b>857680</b>	<b>0</b>	<b>5444122</b>	<b>22149218</b>	<b>19445576</b>	

\* Sales include revaluation reserve decrease of Rs. 5029804/- attributable to sale of factory land.  
\* Building and Civil works have been reduced at actual cost of acquisition as per sheet attached

**Ageing of Capital Work In Progress**

**For the Current Financial Year**

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	3437796	884062	0	0	4321858
Projects Temporarily Suspended	0	0	0	0	0
<b>Total</b>	<b>3437796</b>	<b>884062</b>	<b>0</b>	<b>0</b>	<b>4321858</b>

**For the Previous Financial Year**

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	884062	0	0	0	884062
Projects Temporarily Suspended	0	0	0	0	0
<b>Total</b>	<b>884062</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>884062</b>

**NOTE No.:11 NON-CURRENT INVESTMENTS**

Particular	31.03.2023	31.03.2022
<b>Un-Quoted &amp; Trade</b>	-	-
- Investments in Government securities	-	-
- Investments in Unlisted Companies	98,600	98,250
<b>Total</b>	<b>98,600</b>	<b>98,250</b>

**NOTE No.:12 LONG- TERM LOANS & ADVANCES**

Particular	31.03.2023	31.03.2022
Security Deposits - Unsecured, Considered good	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE No.:13 OTHER NON-CURRENT ASSETS**

Particular	31.03.2023	31.03.2022
Unamortised expenses		

<u>Share Issue Expenditure:</u>		
Opening Balance	819,962	1,155,486
Addition during the year	-	-
1/5 Written Off	335,524	335,524
<b>Total</b>	<b>484,438</b>	<b>819,962</b>

**NOTE No.: 14 INVENTORY**

Particular	31.03.2023	31.03.2022
<b>Stock</b>		
Raw material	3,365,880	2,910,460
Finished goods	2,265,840	2,084,420
Work in progress	-	-
Fuel, Stores, Consumables and other Stock	-	-
<b>Total</b>	<b>5,631,720</b>	<b>4,994,880</b>

**NOTE No.: 15 TRADE RECEIVABLES**

Particular	31.03.2023	31.03.2022
Trade receivables outstanding for a period less than six months from the date they are due for payment	6,933,001	4,202,152
Unsecured, considered good	105,730	132,460
Less: Provision for doubtful debts	-	-
Unsecured, considered good	-	-
<b>Total</b>	<b>7,038,731</b>	<b>4,334,612</b>

**Ageing of Trade Receivables**

**Figures for the Current Reporting Period**

Outstanding for following periods from due date of payment	Particulars				
	Undisputed Trade Receivables- Considered Goods	Undisputed Trade Receivables- Considered Doubtful	Trade Receivables- Considered Goods	Disputed Trade Receivables- Considered Doubtful	Total
Less than 6 months	6,933,001	-	-	-	6,933,001
6 months- 1 year	105,730	-	-	-	105,730
1-2 Years	-	-	-	-	-
2-3 Years	-	-	-	-	-
More than 3 Years	-	-	-	-	-
<b>Total</b>	<b>7,038,731</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,038,731</b>

**Figures for the Previous Reporting Period**

Outstanding for following periods from due date of payment	Particulars				
	Undisputed Trade Receivables- Considered Goods	Undisputed Trade Receivables- Considered Doubtful	Trade Receivables- Considered Goods	Disputed Trade Receivables- Considered Doubtful	Total
Less than 6 months	4,202,152	-	-	-	4,202,152
6 months- 1 year	132,460	-	-	-	132,460
1-2 Years	-	-	-	-	-

2-3 Years	-	-	-	-	-
More than 3 Years	-	-	-	-	-
<b>Total</b>	<b>4,334,612</b>	-	-	-	<b>4,334,612</b>

**Debts due by Directors**

Particulars	31.03.2023	31.03.2022
Directors & Officers	-	-
Firms in which director is a partner	-	-
Companies in which Director is a director or member	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE No.:16 CASH AND CASH EQUIVALENTS**

Particular	31.03.2023	31.03.2022
Balance with banks		
In current accounts	527,209	240,250
In deposit accounts		
<b>Cash on Hand</b>	<b>1,695,670</b>	<b>4,511,816</b>
<b>Total</b>	<b>2,222,879</b>	<b>4,752,066</b>

**NOTE No.: 17 SHORT- TERM LOANS AND ADVANCES**

Particular	31.03.2023	31.03.2022
Loans and advances to related parties - Unsecured, Considered good	-	36,000
other than related parties	-	-
<b><u>Others Advances - Unsecured, Considered Good</u></b>		
- Advance Income Tax/TDS	8,463	7,169
- Advance to the employee	-	-
- Prepaid Expenses	-	-
- Others (Advance Recoverable in cash or in kind)	1,875,043	1,810,000
<b>Total</b>	<b>1,883,506</b>	<b>1,853,169</b>

**NOTE No: 18 OTHER CURRENT ASSETS**

Particular	31.03.2023	31.03.2022
Advance to suppliers	49,505,088	45,106,902
Security Deposits - Unsecured, Considered good		
<b>Total</b>	<b>49,505,088</b>	<b>45,106,902</b>

**Key ratios**

Particular	31.03.2023	31.03.2022	Notes
(a) Current Ratio	20.32	118.33	
- Current Assets	66,281,924	61,041,629	
- Current Liabilities	3,262,458	515,443	
(b) Debt-Equity Ratio	0.11	0.03	
- Total Debt	8,573,807	2,366,146	

- Shareholders Equity	78,808,344	78,417,787	
(c) Debt Service Coverage Ratio			Not Applicable as Repayment of term loan will commence after moratorium of 9 months. TL repayable in 84 installments including 9 months moratorium.
-Earnings available for debt service	1,224,226	(14,18,999)	
-Debt Service		-	
(d) Return on Equity Ratio	0.01	(0.05)	
- Net Profits after taxes - Preference Dividend (if any)	366,546	(22,84,020)	
- Average Shareholder's Equity	48,341,700	48,341,700	
(e) Inventory turnover ratio	0.58	0.95	The company is in to specialized products business wherein in it is required to maintain adequate stock of raw material of various products
- Cost of Goods Sold or Sales	9,643,786	52,81,260	
- Average Inventory	5,631,720	4,994,880	
(f) Trade Receivables turnover ratio	203.88	213.25	The company has to provide credit to its dealers distributors as per market trend which results in higher trade receivables to turnover days.
- Net Credit sales	12,600,981	7,419,065	
- Average Trade Debtors / Accounts receivable	7,038,731	4,334,612	
(g) Trade payables turnover ratio	64.49	19.43	64.5 days credit period is in line with the business cycle of the company.
- Net Credit Purchases	10,280,626	5,400,260	
- Average Trade Payables	1,816,321	287,523	
(h) Net capital turnover ratio	0.20	0.12	
- Net Sales	12,600,981	7,419,065	
- Average Working Capital	63,019,466	60,526,186	
(i) Net profit ratio	0.03	(0.31)	The Current Year Ratio is negative on account of extraordinary item in relation to loss on sale of fixed assets.
- Net profit	366,546	(2,284,020)	
- Net Sales	12,600,981	7,419,065	
(j) Return on Capital employed	1.93	3.81	The ratio has declined on account of higher turnover of the company and higher marketing and advertisement expenses.
- Earnings Before Interest and tax and Extra ordinary items	1,524,056	2,987,506	
- Capital employees	78,808,344	78,417,787	

NOTES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING ON 31<sup>ST</sup> MARCH, 2023

NOTE No.:19 REVENUE FROM OPERATION

Particular	31.03.2023	31.03.2022
Sales and other Incomes	12,600,981	7,419,065
<b>Total</b>	<b>12,600,981</b>	<b>7,419,065</b>

NOTE No.:20 OTHER INCOME

Particular	31.03.2023	31.03.2022
Rent, Interest and Other Incomes	4,898,009	4,842,582
Provision of IT Write off	-	-
<b>Total</b>	<b>4,842,582</b>	<b>4,842,582</b>

NOTE No.:21 Raw Material Consumption

Particular	31.03.2023	31.03.2022
------------	------------	------------

Opening Stock	2,910,460	3,288,500
Add: Purchases & other Direct Expenses	10,280,626	5,400,260
Less: Closing Stock	3,365,880	2,910,460
<b>Raw Material Consumption</b>	<b>9,825,206</b>	<b>5,778,300</b>

**NOTE No.: 22 Change in inventories**

Particular	31.03.2023	31.03.2022
<b>WIP</b>		
Opening Balances of WIP	-	132,500
Closing Balances of WIP	-	-
Change in inventory of finished goods	-	132,500
<b>FINISHED GOODS</b>		
Opening Balances of Finished Goods:	2,084,420	1,454,880
Closing Balances of Finished Goods:	2,265,840	2,084,420
Change in inventory of finished goods	(181,420)	(629,540)
<b>TOTAL</b>	<b>(181,420)</b>	<b>(4,97,040)</b>

**NOTE No.:23 EMPLOYEE BENEFITS EXPENSES**

Particular	31.03.2023	31.03.2022
Salaries and wages	3,851,075	2,216,530
Contributions to provident and other funds	-	-
Staff welfare expenses	-	-
<b>TOTAL</b>	<b>3,851,075</b>	<b>2,216,530</b>

**NOTE No.: 24 FINANCE COST**

Particular	31.03.2023	31.03.2022
Interest	58,583	657
Other Borrowing Costs	212,557	5,141
Applicable net loss on foreign currency transactions and translation	-	-
<b>TOTAL</b>	<b>271,140</b>	<b>5,798</b>

**NOTE No: 25 OTHER EXPENSES**

Particular	31.03.2023	31.03.2022
Audit Fees	30,000	30,000
Legal & Professional Fees	97,310	129,214
Preliminary Pre-Operative Expenses - IPO	335,524	335,524
Advertisement Expenses	86,724	60,707
Office and other expenses	939,178	390,747
Rent Expenses	199,400	237,600
Electric Expense	51,805	77,628
Listing, BSE, NSDL & CDSL Fees	154,500	162,000
Transportation, Clearing & forwarding Expenses	585,632	352,931
<b>Total</b>	<b>2,480,073</b>	<b>1,776,351</b>



For, V J Maru & Associates  
Chartered Accountant

For and on behalf of Board of Directors  
Novateor Research Laboratories Limited

For and on behalf of Board of Directors  
Novateor Research Laboratories Limited

Vanraj J Maru  
Proprietor  
Membership No.: 0141899  
FRN No. : 0134788W  
UDIN- 23141899BGTGCB4230

Navdeep Subhashbhai Mehta  
Managing Director & CFO  
DIN: 03441623

Tejal Navdeep Mehta  
Whole Time Director  
DIN: 03441577

Date: 30<sup>th</sup> May, 2023  
Place: Ahmedabad

Date: 30<sup>th</sup> May, 2023

Poonam Pravinbhai Panchal  
Company Secretary  
Place: Ahmedabad

**NOVATEOR RESEARCH LABORATORIES LIMITED**

1026, Dev Atelier, Opp. Dev Auram, Anandnagar Cross Road, 100 Feet Ring Road, Prahladnagar, Ahmedabad- 380015  
Email:compliance@novateor@gmail.com Website:www.novateor.com Phone: +91 79 - 4039 5888

**ATTENDANCESLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AUDITORIUM

Name and address of the registered member	:	
Folio No./DP ID No./ Client IDNo.	:	
No. of Shares	:	

I hereby record my presence at the Twelfth (12<sup>th</sup>) Annual General Meeting (AGM) of the company will be held on Saturday, 30<sup>th</sup> September, 2023 at 2:30 P.M. IST at the registered office of the company at 1026, Dev Atelier, Opp. Dev Auram, Anandnagar Cross Road, 100 Feet Ring Road, Prahladnagar, Ahmedabad- 380015

\_\_\_\_\_  
**Signature of the Member/Joint Member/Proxy attending the Meeting**

Note: Person attending the Meeting is requested to bring this Attendance Slip and Annual Report with him/her. Duplicate Attendance Slip and Annual Report will not be issued at the Annual General Meeting.

#

**NOVATEOR RESEARCH LABORATORIES LIMITED**

1026, Dev Atelier, Opp. Dev Auram, Anandnagar Cross Road, 100 Feet Ring Road, Prahladnagar, Ahmedabad- 380015  
**Email:**compliancenovateor@gmail.com **Website:**www.novateor.com **Phone:** +91 79 - 4039 5888

**12<sup>th</sup> Annual General Meeting on Saturday, 30<sup>th</sup> September, 2023 at 2:30 P.M.**

**PROXY FORM**

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

CIN	L24230GJ2011PLC064731
Name of the Company	NOVATEOR RESEARCH LABORATORIES LIMITED
Registered Office	1026, Dev Atelier, Opp. Dev Auram, Anandnagar Cross Road, 100 Feet Ring Road, Prahladnagar, Ahmedabad- 380015
Name of Member(s)	
Registered Address	
Email ID	
Folio No./ DP ID - Client ID	

I/We, being the Member(s) of and hold/holds \_\_\_\_\_ shares of above named Company, hereby appoint:

1) Name. ....  
Address: .....  
Email ID: .....  
Signature .....

Or failing him/her

2) Name. ....  
Address: .....  
Email ID: .....  
Signature .....

Or failing him/her

3) Name. ....  
Address: .....  
Email ID: .....  
Signature .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12<sup>th</sup> Annual General Meeting of the Company to be held on **Saturday, 30<sup>th</sup> September, 2023 at 2:30 P.M.** at 1026, Dev Atelier, Opp. Dev Auram, Anandnagar Cross Road, 100 Feet Ring Road, Prahladnagar, Ahmedabad- 380015 and at any adjournment thereof in respect of such resolutions as are indicated below:

**ORDINARY BUSINESS:**

Resolution No.	Resolution	For	Against
1.	To consider and adopt the Audited Financial Statement of the Company including the Audited Balance Sheet for the Financial Year ended on 31 <sup>st</sup> March, 2023, the Statement of Profit and Loss and the Cash flow statement for the year end on that date and the report of the Board of Directors and Auditors thereon		
2.	To appoint a Director in place of <b>Mr. Jitin Jaysukh Doshi (DIN: 07325340)</b> who retires by rotation and, being eligible, offers himself for re-appointment		

**SPECIAL BUSINESS:**

Resolution No.	Resolution	For	Against
3.	Appointment of <b>Mr. Bhavya Himanshu Doshi (having DIN:07325340)</b> as a Non-Executive Independent Director of the company		
4.	Approval of Related Party Transactions with <b>Mr. Navdeep Mehta</b>		
5.	Approval of Related Party Transactions with <b>Mrs. Tejal Navdeep Mehta</b>		
6.	Approval of Related Party Transactions with <b>Mr. Jitin Jaysukh Doshi</b>		
7.	To Increase the authorised share capital of the company and make consequent Alteration in Clause V of the Memorandum of Association		
8.	To consider and approve issue of Convertible Warrants on a Preferential basis		

Signed this.....day of.....2023

Signature of Member(s):.....

Signature of Proxy holder(s):.....

Affix  
Revenue  
Stamp of  
Rs. 1

**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. For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 12<sup>th</sup> Annual General Meeting.
3. 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 carrying voting rights. 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 Member.

### ROAD MAP TO VENUE OF 12<sup>TH</sup> ANNUAL GENERAL MEETING

