



MERCURY LABORATORIES LIMITED

Date: 01/09/2023

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

Scrip Code: 538964

Subject: Notice of 42nd Annual General Meeting(AGM) and Annual Report for the year 2023-24

Dear Sir/Madam,

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), we are submitting herewith the Annual Report of the Company along with the Notice of 42nd AGM for the financial year 2022-23 which is being sent through electronic mode to the Members.

The schedule of AGM is set out below:

Event	Date	Time
Relevant Date/cut-off date to vote on AGM resolution	September 20,2023	NA
Closure of register of members and share transfer books	From September 21, 2023 to September 27, 2023 (both day inclusive)	NA
Commencement of E-voting	September 24,2023	9:00 AM
End of E-voting	September 26,2023	5:00 PM
AGM(through VC/OAVM)	September 27,2023	11:30 AM

Kindly take the above information on your record.

Thanking you,

Yours faithfully,

For Mercury Laboratories Limited

Krishna Shah
Company Secretary & Compliance Officer

Encl.: As above

42ND

ANNUAL REPORT 2022-23

WHERE YOUR WELL BEING MATTERS



BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONNEL

Mr. Ashish Vasavada	:	Chief Financial Officer
Ms. Krishna Shah	:	Company Secretary

BANKERS : HDFC Limited

STATUTORY AUDITORS : Naresh & Co.
Chartered Accountants
City Enclave, Nr. Baroda High School,
Opp. Polo Ground, Vadodara – 390 001

REGISTERED OFFICE : First Floor 18, Shreeji Bhuvan,
51, Mangaldas Road, Princess Street,
Mumbai - 400 002. Tele. : 022-66372841.
E-mail : mllbom@mtnl.net.in / mllbrd@mercurylabs.com.

CORPORATE IDENTIFICATION NO.: L74239MH1982PLC026341

WEBSITE : www.mercurylabs.com

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

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

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

Unit No. 2

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

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ABOUT COMPANY

Since inception Mercury Laboratories Limited has aimed to be a leading formulation company in the Indian Pharmaceutical sector.

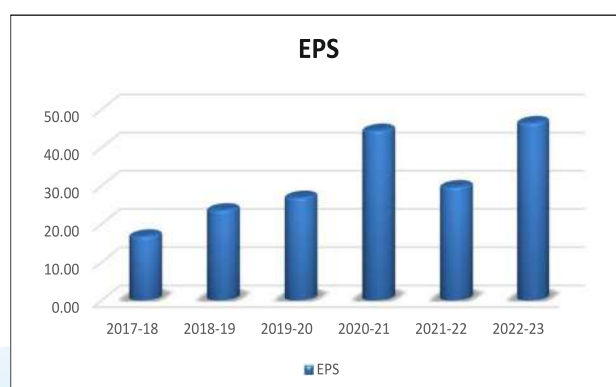
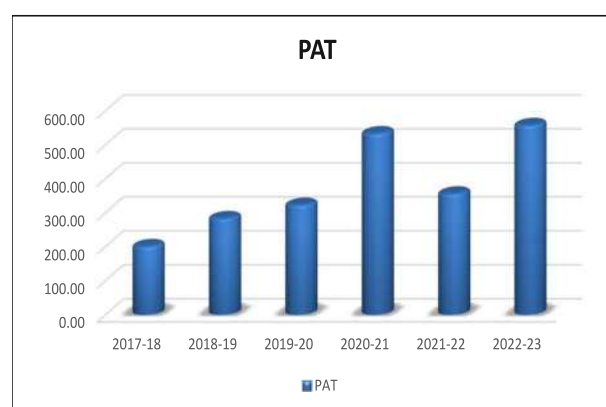
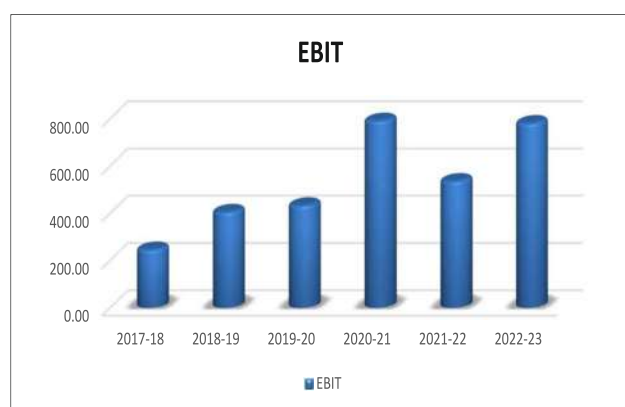
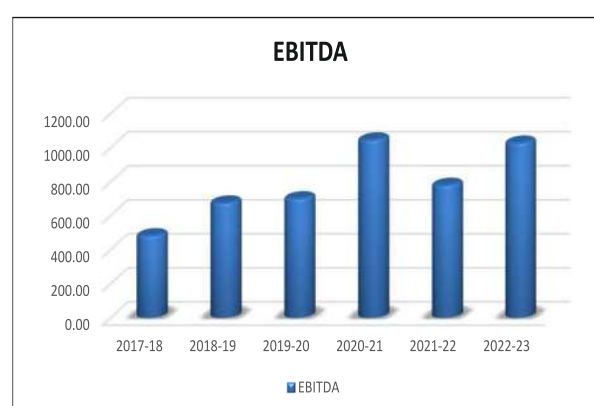
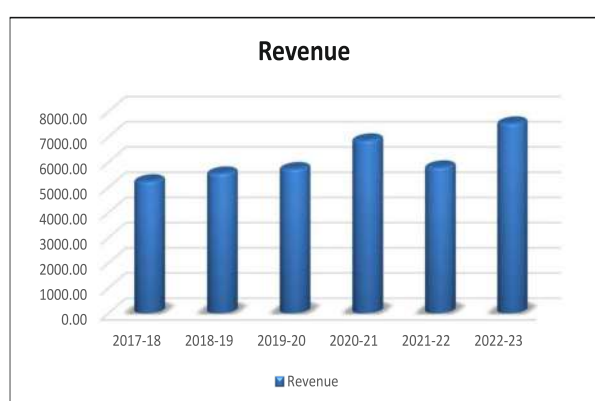
The company has been dedicated to Mother and Child healthcare in the Indian pharmaceutical market and is one of the leading players in the gynecology segment. With many reputed brands in the portfolio, we are proudly identified with quality medicines among the doctor fraternity with a loyal customer base across the country. We are also expanding our international presence with a strong global clientele and broader range of products. Today we are exporting to over 40 countries across the globe through our two manufacturing units situated in Vadodara.

We also continue to invest in the modernization of the existing facilities to keep up with changing technological and regulatory requirements. The company is also investing in a new manufacturing unit for injectables in Jarod that would cater to regulatory markets.

Financial Highlight's

INR in Lakhs

References	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue	5240.46	5552.10	5726.91	6860.15	5792.38	7533.37
EBITDA	483.73	676.64	701.54	1047.10	780.61	1028.98
EBIT	245.59	405.05	432.90	790.89	535.33	780.65
PAT	201.33	283.61	322.81	533.75	356.19	557.88
EPS	16.78	23.63	26.90	44.48	29.68	46.49



Managing Director Speech



Mr. Rajendra Shah
Managing Director

Good Morning Mercurians & friends

I hope you and your family are safe and in good health. We have successfully overcome the Covid 19 pandemic crisis in last two years with our resilience to achieve higher growth across all verticals. Their order pipeline remains strong and we continue to engage more customers as we speak.

We have started the work on a new plant with modern technology for injectables that would help us foray into the regulated markets. We have increased our presence in the domestic market also and we continue to fortify our product offering with newer products in the market.

I congratulate everyone on a splendid year we have had and I am confident of continuing the value creation for all our stake holders.

Board of Directors



Mr. Rajendra Shah
Managing Director



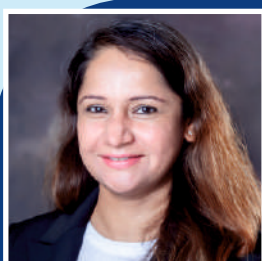
Mr. Dilip Shah
Non-Executive Director



Mr. Divyakant Zaveri
Independent Director



Mr. Bharat Mehta
Independent Director



Ms. Janki Shah
Non-Executive Director



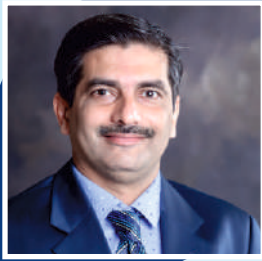
Mr. Paresh Mistry
Non-Executive Director



Chairman
 Member

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

Key Managerial Personnel



Mr. Ashish Vasavada
Chief Financial Officer



Ms. Krishna Shah
Company Secretary &
Compliance Officer

Composition of Board



- Executive Director
- Non-executive Director
- Independent Director

NOTICE

NOTICE is hereby given that the Forty Second (42nd) Annual General Meeting (AGM) of the Members of **Mercury Laboratories Limited** will be held on **Wednesday, September 27, 2023 at 11:30 a.m.** Indian Standard Time (IST) through Video Conferencing / Other Audio-Visual Means ("VC/OAVM") facility to transact the following businesses:

Ordinary Businesses:

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2023 including Balance Sheet as at March 31, 2023, the Statement of Profit and Loss Account and Cash Flow Statement for the Financial Year ended March 31, 2023 together with the Reports of the Board of Directors and the Auditors thereon.**

"**RESOLVED THAT** the Financial Statements of the Company for the year ended on March 31, 2023 including Balance sheet as at March 31, 2023 and Statement of Accounts for the year ended on March 31, 2023 along with Cash Flow Statements and Report of the Directors and Auditors thereon of the Company for the financial year ended on March 31, 2023 be received, approved and adopted."

2. **To declare a dividend of INR 3.50/- per equity share of INR 10/- each for the Financial Year ended March 31, 2023**

"**RESOLVED THAT** in terms of the recommendation of the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded for declaration and payment of final dividend at the rate of INR 3.5/- per equity share of INR 10 each for the financial year ended on March 31, 2023 be paid to those members whose names appear in the Company's Register of Members as on cut-off date."

3. **To appoint a Director in place of Mr. Dilip R Shah (DIN: 00257242), Non-Executive Non-Independent Director who retires by rotation and being eligible, offers himself for re-appointment.**

"**RESOLVED THAT** Mr. Dilip R Shah (DIN: 00257242), Non-Executive Non-Independent Director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as Director of the Company".

Special Businesses:

4. **Payment of Remuneration to Mr. Paresh J Mistry, (DIN: 07893654) Non-Executive Directors exceeding fifty percent (50%) of total remuneration payable to all Non-Executive Directors**

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

"**RESOLVED THAT** pursuant to the provisions of Regulation 17(6)(a) and 17(6)(ca) and other applicable regulation(s), if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder including any statutory modifications(s) or re-enactment(s) thereof for the time being in force, the consent of the members of the Company be and is hereby accorded for the payment of remuneration not exceeding INR 30 Lakhs per annum to Mr. Paresh J Mistry, holding place of profit being office of Purchase Manager who is Non-Executive Director of the Company to whom the Company is paying remuneration for holding position of Purchase Manager, which is in excess of fifty percent of the total remuneration payable to all Non-executive Directors of the Company during the financial year 2023-2024 and authorize the Board of Directors, may in its absolute discretion, fix, vary, alter the actual remuneration paid to Mr. Paresh J Mistry, Director of the Company.

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

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

5. Revision in remuneration being paid to Mr. Saurabh Mittal, Marketing Manager

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 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with rules made thereunder ('the Rules') including any statutory modification(s) or re-enactment(s) thereof, Members of Company be and hereby accord their consent to the payment of remuneration to Mr. Saurabh Mittal, Marketing Manager, Who is Relative of Ms. Janki R Shah , Non-executive Director and Mr. Rajendra R Shah, Managing Director of the Company of an amount not exceeding INR 86 Lakhs per annum as per the under mentioned details of Remuneration for holding position of Marketing Manager of the Company, being the office of place of profit for a period of three years w.e.f. 1st October, 2023

(a) **Basic Salary:** INR 91,000 per month (Increments at such time, as may be decided by the Board of Directors)

(b) **Allowances & Perquisites:** Allowances and perquisites shall comprise of:

- I. House Rent Allowance not exceeding 40% of salary
- II. Medical allowance / Reimbursement for self and family with a ceiling of INR 25,000 per month
- III. Other allowances not exceeding INR 4,16,750 per month
- IV. Washing Allowance INR 10,000 per month
- V. Children Education Allowance INR 24,000 per month
- VI. Magazine allowances INR 30,000 per month
- VII. Vehicle Allowance INR 40,000 per month
- VIII. Conveyance allowance not exceeding INR 40,000 per month
- IX. Bonus not exceeding one monthly salary
- X. Company's contribution to provident fund and Gratuity, fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961
- XI. Gratuity as per the rules of the company but shall not exceed half a month's Salary for each completed year of service.
- XII. Reimbursement of entertainment, travelling and other expenses incurred in the course of legitimate business of the company.
- XIII. Earned Leave of one month for every eleven months of service on full pay and allowance as per the rules of the company. Leave accumulated but not availed of, can be encashed as per the rules of the company

RESOLVED FURTHER THAT Board of Directors be and are hereby severally authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution and fix, alter, vary any of the terms and conditions relating to remuneration payable to Mr. Saurabh Mittal within the overall remuneration ceiling approved.

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

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

6. Payment of Remuneration to Ms. Janki R Shah (DIN:08686344), Non-Executive Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 197, 198, 188(1)(f), Schedule V to the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 including any statutory modifications (s) or re-enactment(s) thereof for the time being in force, the provisions of the amended Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation 2015 (“SEBI LODR Regulations”) approval of the members be and is hereby accorded for the payment of Remuneration not exceeding INR 62 Lakhs per annum as per the under mentioned details of Remuneration to Ms. Janki R Shah (DIN: 08686344), Non-Executive Director of the Company, for a period of three years i.e. 2024-25 to 2026-27, in lieu of her Services to the Company, in addition to the sitting fees and other reimbursement of expenses being paid by the Company for participating in the Board/Committee Meetings of the Company and the actual expenses incurred by her in connection with the business.

- a) **Salary:** INR 1,00,000 per month with such increments at such time, as may be decided by the Board of Directors
- b) **Allowances & Perquisites:** Allowances and Perquisites shall comprise of:
- Actual Medical Reimbursement
 - Leave and travel allowance/reimbursement for self and family once in a year in accordance with the rules of the Company shall not exceed 50% of the monthly salary.
 - Gratuity as per the rules of the Company but shall not exceed half a month's salary for each completed year of service.
 - Car with Driver for use on Company's business, cell phones and telephone at residence will not be considered as perquisites. Personal long-distance calls and use of car for private purpose shall be billed by the Company.
 - Reimbursement of entertainment, travelling and other expenses incurred in the course of legitimate business of the Company
 - Other allowance not exceeding INR 4,16,750 per month

RESOLVED FURTHER THAT Board of Directors be and are hereby severally authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution and fix, alter, vary any of the terms and conditions relating to remuneration payable including performance salary, if any, to Ms. Janki Shah within the overall remuneration ceiling approved.

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

7. Ratification of Remuneration payable to the Cost Auditor of the Company for Financial Year 2023 - 2024

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

“RESOLVED THAT, pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. V. M. Patel & Associates, Cost Accountants (Firm Registration No. 101519), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2024 amounting to INR 43,000 (Rupees Forty Three Thousand Only) plus applicable taxes if any and reimbursement of out of pocket expenses be and is hereby ratified and approved.

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

Date: August 05, 2023
Place: Vadodara

By order of Board of Directors of
Mercury Laboratories Limited

Krishna Shah
Company Secretary

NOTES

- a. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 read with the relevant rules made thereunder ("Act"), the Secretarial Standard on General Meetings (SS-2) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), in respect of item nos. 4 to 7, of this notice, is annexed herewith.
- b. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
- c. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, September 21, 2023 to Wednesday, September 27, 2023 (both days inclusive), in connection with AGM and for the purpose of determining the names of members eligible for dividend on equity shares, if declared / approved at the AGM.
- d. **Link Intime India Private Limited is the Registrar and Share Transfer Agent of the Company. Shareholders are requested to make all correspondence to them at the following address.**

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

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

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

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <http://investor.mercurylabs.com/wp-content/uploads/2023/02/Form-ISR-4.pdf> and on the website of the Company's Registrar and Transfer Agents, Link Intime India Private Limited at <https://www.linkintime.co.in> It may be noted that any service request can be processed only after the folio is KYC Compliant.

In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, the Company had stopped accepting any fresh transfer requests for securities held in physical form. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form.

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

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

- 1) The Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 2/2022 dated May 5, 2022, General Circular No. 10/2022 dated December 28, 2022 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated January 5, 2023 (collectively referred to as “SEBI Circulars”), has permitted companies to hold annual general meetings through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) without the physical presence of the members at a common venue. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 42nd AGM of the Company shall be conducted through VC / OAVM. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.
- 2) Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip and Route Map are not annexed to the Notice.
- 3) Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution / Authorization etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to Company by email through their registered email address to secretarial@mercurylabs.com.

The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- 4) The Notice of the Annual General Meeting along with the Annual Report for the financial year 2022-2023 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020 Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2022-2023 will also be available on the Company's website <http://investor.mercurylabs.com/miscellaneous-shareholder-details/> under head of AGM Notice websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. and on the website of National Securities Depository Limited (agency for providing the Remote e-Voting facility) i.e. at www.evoting.nsdl.com. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
- 5) Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 6) Instructions for e-voting and joining the Annual General Meeting are as follows:
- 7) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General meeting (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) read with Circulars issued by the Ministry of Corporate Affairs the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

- 8) National Securities Depository Limited (NSDL) will be providing the remote e-voting facility for participation in the AGM through VC / OVAM Facility and e-voting during the AGM.
- 9) Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

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

- 1) **The remote e-voting period begins on Sunday, September 24, 2023 at 09:00 A.M. and ends on Tuesday, September 26, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 20, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, September 20, 2023. Any person who acquires shares of the Company and becomes member of the Company after dispatch of this Notice and holding shares as on Wednesday, September 20, 2023 may obtain the login ID and Password by sending request at evoting@nsdl.co.in. The e-voting module shall be disabled by NSDL for voting after Tuesday, September 26, 2023 at 5:00 P.M. (IST).**

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

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

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





Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your 16 digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting..

	<p>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Guidelines for shareholders

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

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

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

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

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

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

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

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

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

Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (secretarial@mercurylabs.com). The same will be replied by the company suitably. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request from their registered email address to secretarial@mercurylabs.com between Friday, September 15, 2023 (from 9:00 a.m. IST) to Thursday, September 21, 2023 (up to 5:00 p.m. IST). The request must mention their name, DP ID and Client ID/folio number, PAN and mobile number. Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions on the resolutions proposed in the Notice convening the AGM. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

DIVIDEND INSTRUCTIONS

- The Dividend, if approved at the AGM, will be paid to those members whose name would appear in the Register of Members of the Company as on September 20, 2023.
- The dividend, if any, approved by the Members will be paid as per the mandate registered with the Company or with their respective Depository Participants. In case dividend declared at AGM could not be paid due to non-availability of the details of the Bank Account, the Company shall dispatch the dividend warrant to such shareholder subject to availability of postal services
- In case of joint holders, the Member whose name appeared as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM and the dividend will be paid in the name of such first holder in the order of names.

- As SEBI has mandated that transfer of securities in a listed company will be processed only if the securities are held in dematerialized form, the Members, who have not yet got their shares dematerialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the de-materialization account to the Company's RTA.
- Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime India Private Limited in case the shares are held by them in physical form and in case of electronic form shall be intimated to RTA agent Link Intime India Private Limited.
- Members are requested to note that, dividends if not encashed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

The due dates for transfer of unclaimed / unpaid dividend to IEPF are as under:

Date of Declaration of Dividend	Dividend for Financial Year	Proposed Month and Year of transfer to IEPF
26-09-2016	2015-16	November, 2023
29-09-2017	2016-17	November, 2024
14-09-2018	2017-18	November, 2025
28-09-2019	2018-19	December, 2026
29-09-2020	2019-20	December, 2027
11-02-2021	2020-21(Interim Dividend)	March, 2028
28-09-2021	2020-21 (Final Dividend)	December, 2028
27-09-2022	2021-22	December, 2029

- Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Link Intime India Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). For all members – Details that should be completed and / or updated as detailed below:

RESIDENT MEMBER.

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

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

All these documents duly completed and signed required to be send by email to the Company at secretarial@mercurylabs.com by September 20, 2023.

Non-Resident Member

- Non-Resident Members can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. no Permanent Establishment and Beneficial Ownership Declaration (as per performa attached in this notice), Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident, declaration in Form 10F, Self-attested copy of PAN, any other document which may be required to avail the tax treaty benefits along with contact number.
- TDS on FII & FPI will be deducted under Section 196D of the Act at the rate of 20% (plus applicable surcharge and cess).
- If any member has obtained lower / nil withholding tax certificate under the Act, then TDS will be deducted at lower / nil rate mentioned on the certificate (self-attested copy of the certificate is required).
- If any member is entitled for exemption, then valid self-attested documents (like registration copy, order, etc. by Indian Tax Authorities) are required to be provide for claiming exemption from TDS.

All these documents duly completed and signed required to be send by email to the Company at secretarial@mercurylabs.com by September 20, 2023.

Other General Information to Members

- Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of Members on the Book Closure Date and above prescribed documents. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.
 - In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund, if eligible.
 - In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Member/s, such Member/s will be responsible to indemnify the Company against all claims, demands, penalties, losses, etc. and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
 - Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Members should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.
- a. Members may address all the correspondences relating to dividend, unclaimed shares, claiming refund of shares & dividend transferred to IEPF, change of address, share transfer, transmission, nomination, etc. to the Company at secretarial@mercurylabs.com or the RTA at vadodara@linkintimeindia.co.in
 - b. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
 - c. As per Section 118(1) of the Companies Act, 2013 read with the Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India, "No gifts, gift coupons or cash in lieu of gifts shall be distributed to the members in connection with the meeting".
 - d. Documents referred to in the notice are open for inspection at the registered office of the Company during business hours on any working day except Saturday and holidays up to the date of Annual General Meeting.
 - e. A person whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on September 20, 2023 ("Cut-Off date") only shall be entitled to avail the facility of remote e-voting. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as of the Cut-Off date.
 - f. Mitesh Rana of Mitesh Rana & Co., Company Secretaries (Membership No.: 28113) having consented to act as a scrutinizer has been appointed as the scrutinizer to scrutinize e-voting process (electronically or otherwise) in fair and transparent manner.

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

Date: August 05, 2023
Place: Vadodara

By order of Board of Directors
Mercury Laboratories Limited

Krishna Shah
Company Secretary

Contact Details

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

ANNEXURE TO NOTICE

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

ITEM NO.04

Mr. Paresh J Mistry, aged 54 years, had been appointed as an additional director on the Board of the Company with effect from October 01, 2017 and at the subsequent Annual General Meeting, his appointment as Director was also confirmed and presently occupying position of Purchase Manager, being the office and/or place of profit in the Company.

In terms of Section 188(1)(f) of the Companies Act, 2013, the appointment/reappointment of a director or a relative of director to an office or place of profit in a company, its subsidiary company or an Associate Company requires approval of the shareholders of the company. Since Mr. Paresh J Mistry is a Director of the Company, provisions of Section 188(1)(f) of the Companies Act, 2013 would be applicable for continuing appointment of Mr. Paresh J Mistry to a place of profit being the office of Purchase Manager of Company. The Company had obtained approval from its members by way of a Special Resolution passed at the 41st AGM held on September 27, 2022 for a period of three years i.e. 2022-2023 to 2024-2025.

Further as per new clause 17(6) (ca) has been inserted in the Listing Regulations by way of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 wherein approval of shareholders by way of special resolution shall be obtained every year, in which the annual remuneration payable to single non-executive director exceeds 50% of total annual remuneration payable to all non-executive directors, giving details of remuneration thereof. Mr. Paresh J Mistry is Non – Executive Director of the Company who is being paid remuneration not exceeding INR 30 Lakhs per annum for holding position of Purchase Manager in Company, as the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, The Company is required to obtain approval of shareholders by way of a special resolution.

The breakup of remuneration package is mentioned in the corporate Governance report.

The said remuneration to Non-Executive Directors shall be in addition to the sitting fee and re-imbursement of expenses payable to them. In view of the above, approval of members is being sought for payment of remuneration to Non-Executive Directors as set out in the Special Resolution at Item No. 04 of this Notice.

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

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

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

ITEM NO.05

Mr. Saurabh Mittal, aged 39 years is presently occupying position of Marketing Manager of the Company being the office or place of profit in the Company.

In terms of Section 188(1)(f) of the Companies Act, 2013, the appointment/reappointment of a director or a relative of director to an office or place of profit in a company, its subsidiary company or an associate company requires approval of the shareholders of the Company where remuneration surpasses two and a half Lakhs per month. Since Mr. Saurabh Mittal is a Relative of Director of the Company, provisions of Section 188(1)(f) of the Companies Act, 2013 would be applicable for continuing appointment of Mr. Saurabh Mittal to a place of profit being the office of Marketing Manager of the Company as proposed revised remuneration is not exceeding INR 86 Lakhs per annum for a period of three years w.e.f 1st October, 2023. In the light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No. 5 of the accompanying Notice. A brief profile of Mr. Saurabh Mittal including his nature of expertise is provided in this Annual Report.

Brief Profile of Mr. Saurabh Mittal:

Mr. Saurabh Mittal by qualification is an Engineer. He has rich experience of working with corporates for more than 13 years. He has rich experience and expertise in areas of Marketing, Human resources, Information and technology, system and process development for established as well as start-up organizations. Mr. Saurabh Mittal provides leadership and strategic guidance to the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Saurabh Mittal. Accordingly, the Board recommends approval of the members for payment of remuneration to person holding office or place of profit exceeding the limit as stated in the Companies Act, 2013.

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

Sn	Particulars	Details
1	Type, material terms and particulars of the proposed transaction;	As detailed above in resolution at Item No. 5 and explanatory statement
2	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Mr. Saurabh Mittal, Marketing Manager
3	Tenure of the proposed transaction (particular tenure shall be specified);	3 Years effective from October 01, 2023
4	Value of the proposed transaction	As mentioned in the Resolution

5	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	For proposed transaction value is approximately around 1.14% of the listed entity's Annual Turnover.
6	<p>If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary:</p> <p>i) details of the source of funds in connection with the proposed transaction;</p> <p>ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, cost of funds; and tenure;</p> <p>iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and</p> <p>iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.</p>	Not Applicable
7	Justification as to why the RPT is in the interest of the listed entity	Arrangement is commercially beneficial
8	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable

Nature of Concern or interest

None of Directors, Key Managerial Personnel and their relatives (to the extent of their shareholding interest in the Company) except appointee himself, Ms. Janki R Shah and Mr. Rajendra R Shah, relatives of Mr. Saurabh Mittal are concerned or interested, financially or otherwise in passing of this resolution. Mr. Saurabh Mittal is husband of Ms. Janki R Shah, Non-Executive Director of the Company and Son in Law of Mr. Rajendra R Shah, Managing Director of the Company.

The Board recommends the Resolution at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

ITEM NO 06

Ms. Janki R Shah aged 41 years, had been appointed as an additional director on the Board of the Company with effect from February 05, 2020 and at the subsequent Annual General Meeting, her appointment as Director was also confirmed. Ms. Janki R Shah (DIN: 08686344), Non-Executive Director of the Company, provides significant guidance and direction to the Export Business of the Company. Ms. Janki R Shah's involvement has contributed substantially to the performance of the Company. The Board considers that her association would be of immense benefits to the Company and its desirable to avail services of Ms. Janki R Shah as Non-Executive Director and Head of Export Business.

Brief Profile of Ms. Janki R Shah:

Ms. Janki R Shah did Master of Science in Pharmacology. She has rich experience of working in this filed for more than 12 years. She has rich experience and expertise in areas of Production Management, Marketing, Human resources, Business Management.

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

She does not hold directorship in any other company.

He is Member of Nomination Remuneration Committee of the Company.

INFORMATION ABOUT THE APPOINTEE:

a.	The background details	The background details of Ms. Janki R Shah are given elsewhere in the notice.
b.	Past Remuneration	Nil
c.	Recognition or awards	Nil
d.	Job profile and its suitability	Ms. Janki R Shah provides leadership and guidance to the Company in addition to supervising functional - heads of Export, Production, export etc including overall administration of Company and its operations. Given the profile of Ms. Janki R Shah, it is imperative that Company avail his services as director also.
e.	Remuneration proposed	As per details given in the resolution read with explanatory statement for Items No.6.
f.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in Health-Care Companies; Companies engaged in similar businesses, of comparable size and has been considered by the Nomination and Remuneration Committee and the Board of Directors of the Company. Taking into consideration, the size of the Company, given the profile of Ms. Janki R Shah, the responsibilities shouldered by her, the remuneration proposed to be paid is commensurate with the remuneration paid to similar senior level persons in other companies.
g.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Ms. Janki Shah is daughter of Mr. Rajendra R Shah, Managing Director of the Company. There is no other pecuniary relationship directly or indirectly with the Company except to the extent her remuneration and shareholding in the Company. This information is already disclosed elsewhere in the notice.

Further in terms of Section 188(1)(f) of the Companies Act, 2013, the appointment/reappointment of a director or a relative of director to an office or place of profit in a company, its subsidiary company or an associate company requires approval of the shareholders of the Company where remuneration surpasses two and a half Lakhs per month. Since Ms. Janki R Shah is a Non-Executive Non Independent Director of the Company, provisions of Section 188(1)(f) of the Companies Act, 2013 would be applicable for continuing appointment of Ms. Janki R Shah to office or place of profit of the Company as proposed remuneration is not exceeding INR 62 Lakhs per annum for a period of three years i.e 2024-25 to 2026-27. In the light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No. 6 of the accompanying Notice. A brief profile of Ms. Janki R Shah including his nature of expertise is provided in this Annual Report.

Sn	Particulars	Details
1	Type, material terms and particulars of the proposed transaction;	As detailed above.
2	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Ms. Janki R Shah is a Non-Executive director of the Company holding office of place of profit
3	Tenure of the proposed transaction (particular tenure shall be specified);	3 Years effective from April 01, 2024
4	Value of the proposed transaction	As mentioned in the Resolution

5	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	For proposed transaction value is approximately around 0.82% of the listed entity's Annual Turnover.
6	<p>If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary:</p> <p>i) details of the source of funds in connection with the proposed transaction;</p> <p>ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, cost of funds; and tenure;</p> <p>iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and</p> <p>iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.</p>	Not Applicable
7	Justification as to why the RPT is in the interest of the listed entity	Arrangement is commercially beneficial.
8	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable

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

Nature of Concern or interest None of Directors, Key Managerial Personnel and their relatives (to the extent of their shareholding interest in the Company) except appointee herself, Mr. Rajendra R Shah and Mr. Dilip R Shah, relatives of Ms. Janki R Shah are concerned or interested, financially or otherwise in passing of this resolution. Mr. Rajendra R Shah, Managing Director is Father and Mr. Dilip R Shah is Uncle of Ms. Janki R Shah.

General Information including other information as required to be disclosed for the Item no 4, and 6 is as under:

GENERAL INFORMATION

Sr. No.	Information sought	Information
i.	Nature of Industry	The Company is engaged Pharmaceutical Business, Manufacturing, Exporting, Importing, Selling and Otherwise dealing in all kinds of pharmaceutical drugs, medicines, herbs, laboratory and surgical materials etc.
ii.	Date of Commencement of Commercial Production	The Company has started its operations from February 12, 1982.

iii.	Financial performance of the Company	INR In Lakhs		
		Particulars	2022-23	2021-22
		Revenue from Operations	7533.37	5792.38
		Profit/(Loss) before Tax	749.29	503.44
		Profit/(Loss) After Tax	557.88	356.19
		Paid-up Equity share Capital	120	120
		Reserves & Surplus	4442.89	3910.68
		Earnings per Share (INR in Actual)	46.49	29.68
		Book value per share (INR in Actual)	380.24	335.89
iv.	Export performance and net foreign exchange collaboration	The Company's export on FOB basis was INR 1907.67 Lakhs for 2022-23 and INR. 952.97 Lakhs for 2021-22.		
v.	Foreign investments or collaborations	NIL		
Other Information:				
a.	Reasons for loss or inadequacy of profits	Highly competitive market and aggressive pricing by domestic and International Companies.		
b.	Steps taken or proposed to be taken for improvement	The Company has started taking some steps which may lead to gradual increase in export business. Besides these Company has started business with the other countries which may lead to increase in Companies sale volume and growth plan.		
c.	Expected increase in production and profits in measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms but Company is expecting 5% to 10% increase.		

ITEM NO 07

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ('the rules') the Company is required to appoint a cost auditor to audit the cost records of the Company for products and services as specified under the Companies (Cost Records and Audit) Rules, 2014. On the recommendation of Audit Committee, the Board of Directors had approved the appointment of M/s V.M. Patel & Associates, Cost Accountants, Surat (Firm Registration No. 101519) as the cost auditors of the company to conduct audit of cost records maintained by the Company for the financial year 2023-2024 at a remuneration of INR 43,000 annually plus applicable taxes if any and re-imbursment of out of pocket expenses.

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

None of Directors and their relatives or Key Managerial Personnel or their relative, is concerned or interested, financially or otherwise in passing of this resolution.

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

Date: August 05, 2023
Place: Vadodara

By order of Board of Directors

Krishna Shah
Company Secretary

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

Name of the Director	Ms. Janki R Shah	Mr. Dilip R shah
Date of Birth	November 21, 1982	December 14, 1954
Age	41	69
Qualification	Master of Science in Pharmacology	B. Pharm & M.B.A
Experience in Specific functional area	Exports & Administrative	Marketing, Finance and Overall Business Management
Director Since	February 05, 2020	February 16, 1982
List of Companies in which outside directorship held as on March 31, 2023	Nil	Nil
Chairmanship / Membership of Committees of other Board	Member of Nomination Remuneration Committee	Member of Corporate Social Responsibility Committee
Relationship with other Directors, Manager and other Key Managerial Personnel	Daughter of Mr Rajendra R Shah (Managing Director) Mr. Dilip R Shah is her uncle	Brother of Mr. Rajendra R Shah (Managing Director) Uncle of Ms. Janki R Shah (Non- Executive Director)
No. of Shares held	1,04,000	84,850

BOARD'S REPORT

To,
The Members,
Mercury Laboratories Limited

Your Directors have pleasure in presenting the 42nd Annual Report of Mercury Laboratories Limited (the Company) on the business and operations of the Company together with the audited financial statements for the financial year ended on March 31, 2023.

1. FINANCIAL SUMMARY/PERFORMANCE OF THE COMPANY

The financial performance of the Company for the financial year ended March 31, 2023 along with figures of previous financial year is summarized below:

PARTICULARS	(INR in Lakhs)	
	2022-23	2021-22
Revenue from Operations	7,533.37	5,792.38
Gross Profit before Depreciation Interest & Tax	1,028.98	780.61
Less: Interest	36.19	44.64
Less: Depreciation	248.33	245.28
Profit / (Loss) before Exceptional Items , Extra Ordinary Items & Tax	744.46	490.69
Exceptional Items	-	-
Extra-Ordinary Item	(4.83)	(12.75)
Profit / (Loss) before Tax	749.29	503.44
Less: Current Tax including Income Tax of Previous Year & Deferred Tax	191.41	147.25
Profit/(Loss) from Continuing Operations	557.88	356.19
Profit/(Loss) from discontinued operations	-	-
Tax expense of discontinued operations	-	-
Profit/(loss) from Discontinued operations (after tax)	-	-
Profit / (Loss) for the Period	557.88	356.19
Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss	21.82	12.43
(ii) Income tax relating to items that will not be reclassified to profit or loss	(5.49)	(3.46)
B (i) Items that will be reclassified to profit or loss	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-
Total comprehensive income for the period	574.21	365.16
Opening balance in Retained Earnings	253.83	271.64
Profit available for appropriations	811.71	627.83
Dividend	42	24
Transfer to General Reserve	350	350
Surplus carried forward	419.71	253.83
*Earning Per Share		
Basic	46.49	29.68
Diluted	46.49	29.68

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

*From the current year, the company has presented actuarial gains / losses on Defined Benefit Plans as Other Comprehensive Income with tax effect thereon. Correspondingly the figures of previous year are recast to make them comparable.

2. Dividend:

The Board of Directors at their meeting held on May 05, 2023, recommended a final dividend of INR 3.50 per equity share of face value of INR 10 each, for the financial year ended 31st March, 2023 absorbing INR 42.00 Lakhs, which will be, if approved by the members, paid to the Shareholders holding shares as on September 20, 2023 after business hours. The dividend, if declared, is subject to deduction of Tax at source in accordance with applicable provisions. The Dividend Distribution Policy of the Company is set out as Annexure-A. The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (here in after referred to as 'SEBI Listing Regulations') is also available on the website of the Company at <http://investor.mercurylabs.com/wp-content/uploads/2022/03/DIVIDEND-DISTRIBUTION-POICY-2.pdf>

3. Transfer to Reserves:

Your Company transferred an amount of INR 350.00 Lakhs to the General Reserve during the Financial Year ended on March 31, 2023.

4. Financial Performance and Operations Review:

During the year under review, the revenue from operations grew by 30.06% to INR 7,533 Lakhs (Rupees Seven Thousand Five Hundred Thirty-Three Lakhs only) from INR 5,792 Lakhs (Rupees Five Thousand Seven Hundred Ninety-Two Lakhs only) in 2021-2022. The Profit before Tax is increased by 48.83% to INR 749.29 Lakhs from INR 503.44 Lakhs. Net profit after tax (before OCI) increased by 56.62% as compared to previous year. The Company registered a net profit after tax (before OCI) of INR 557.88 Lakhs as compared to net profit of INR 356.19 Lakhs for the previous year ended 31st March, 2022.

5. Future Prospects:

Goldman Sachs, leading global financial institution has published that Indian pharma industry to reach 57 billion dollars by 2025. The Indian pharmaceutical industry is expected to grow at 6-8% rate GDP in coming months. This growth will consist of engineering infrastructure, pharmaceutical, finance sectors.

We being Pharma sector, pharma industry is likely to reach 57 billion dollars by financial year 2025. Globally, the Indian pharma industry has a strong footprint in the generics segment and the pharma exports and domestic market contribute equally to the overall Indian pharma industry. This includes API formulations and others. Our pharmaceutical formulations and API will reach to each and every corner of the globe.

Our Management strongly believe that Pharmaceutical sectors will grow leaps and bounds in India as well as become Pharma HUB in the world. Management also see bright future for your company. We are also working very hard and ensure by managing quality products, engineering, new technology, cost effectiveness and focus on expenditure. This will help to competitiveness in open market. Our priority of investment in capacity for new technology and build up new injectable plant to enhance good quality and quantitative more volume.

Our intention is to enter into regulatory market. To achieve this goal, we have taken systematically digitization across functions in respect of purchase, manufacturing, distribution, accounting. This will help to read the documents without error in the documentation process. We continue to build up right talented people to address the needs of our customers and realize our strategic priorities. The future belongs to organizations that are resilient and can quickly adjust to the reality of the market. Accordingly, Mercury Laboratories Limited will continue to stay focused on building on its agility to maximize value creation.

MANAGEMENT DISCUSSIONS AND ANALYSIS

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

a) Industry Structure and Development

Government of India aggressively work on 'Make in India', by effective implementation of Ayushman Bharat Scheme, Upgrading all ESIC hospitals, Primary Health Centers and others. Government of India also introduced Production Linked Incentive – PLI Scheme for the Pharma Industries for 2 years. This will upgrade Pharma Industry particularly API of Pharma Industry and cater Indian Market. This will also help to reduce the dependency of API from international market. To achieve this, government has set aside incentive of INR 15 Cr. Affordability and quality of medicines are very important for domestic as well International market and to ensure this to enhance improve the quality, the government has come forward for technical upgradation in respect of quality by providing subsidy of INR 3000 crores by department of Pharmaceuticals during this year. We, Mercury Laboratories Limited, take up this seriously government objective of affordable and quality products by number of action in our company. We have upgraded technologically and further improve infrastructure, machinery, plant as well as environment friendly, energy saving and others. We have taken steps by introducing training to new comers, reference training for understanding system implementation, product details and record keeping. We are making all our effort to digitalize our system, records to improve the system. Your company has started implementing state of art upgrade technological to manufacture Small Volume Parenteral. This will further enhance quality of our injectable products in domestic as well as International market.

The Union Budget 2022-23 enhanced for health sector to INR 130,000 crores for the Atmanirbhar Swasth Yojana for the development of Primary, Secondary and Tertiary healthcare system, investing heavily on availability of additional facilities in the existing hospitals. Government also creating number of AIMS in most of the states.

Government of India also supports as a hand holder for medical college, nursing college, Pharmacy College to fill shortage gap in health sectors. Looking to all development, your company has taken up aggressively investing in some of the upgradation, expansion like additional facility in the existing plant so that we meet requirement of the market

b) Outlook, Risks and Concerns

Government of India introduced Drugs, Medical Device and Cosmetics Bill 2023 in the parliament. This will replace 83 years old Drugs & Cosmetics Act, 1940. The main focus of this bill is for effective implementation of Regulation and good quality drugs. This should also help pharma sector to grow in near future. However, Ukraine war and climate changes creates lot of food shortages, heat waves, flood, etc from time to time in all part of the world. This factor will severely affect the public by undesired diseases across the globe.

(c) World economic overview

Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024. The rise in central bank policy rates to fight inflation continues to weigh on economic activity. The globe economy will remain weak due to Central Bank Policy to fight inflation the war in Ukraine and extreme related events. This will restrict more restricting monetary policy with further tightening Central Bank. The Chinese Economy, particularly real estate problem, infrastructure project in different part of the world will give negative spill over. However, under turbulence inflation will fall faster than expected. The priority of achieving sustained disinflation by ensuring financial stability. During this period the improvement of supply side will have fiscal consolidated data.

Global Pharma Market

The global Pharmaceutical market size was 209.85 billion dollars in 2021 is poised to grow 222.4 billion dollars in 2022 and further grow 352.98 billion dollars by 2030 with the growth of CAGR 5.9%. The Indian pharma market is expected to reach 130 billion dollars by 2030 and will be a leading provider of medicines to the world as spoke by Mr. Sudharshan Jain – Secretary of IPA. The Indian pharmaceutical industry is ranked 3rd largest in the world for producing medicines by volume. This growth will be in sectors like Cardiac, Diabetic, hypertensive. We see India will take lead in branded generic drugs in all part of the globe by 2030.

Financial Performance and Operation Review

During the year, your Company continued to make significant progress across its strategic priorities with the highest ever revenue and EBITDA. During Financial Year 2022-23, the Company reported immense revenue growth of 30.06% from the previous year. The gross revenue of the Company was INR 7533.37 Lakhs for the year under review as compared to INR 5792.38 Lakhs for the previous year ended 31st March, 2022. The Company registered a net profit (before OCI) of INR 557.88 Lakhs as compared to net profit of INR 356.90 Lakhs for the previous year ended 31st March, 2022. Return on Net Worth has been increased to 12.98% from 11.00 % mainly due to increase in sales resulted in to higher profit

INR in Lakhs

Break-up of Sales	2022-23	2021-22	Growth / (Degrowth) In terms of %
Domestic	4,595.98	4,254.72	8.02%
Deemed Exports	1,029.72	584.69	76.11%
Direct Exports	1,907.67	952.97	100.18%
Total	7,533.37	5,792.38	

Details of significant changes in key Financial ratios given at Note No. 60 of the Notes to financial statements.

d) Internal Control System and its adequacy

The Company has adopted policies and procedures covering all financial, operating and compliance functions. Mercury Laboratories believes that internal control is a prerequisite for governance and that business plans should be exercised within a framework of checks and balances. The Company has adequate internal control system including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control system provides for all documented policies, guidelines, authorization and approval procedures.

The Company has an internal audit department which carries out audits throughout the year. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit Committee of the Board. Further the Company has in place adequate Internal Financial Controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

d) Human Resources

At Mercury Laboratories, we recognize that our employees are the cornerstone of our success and integral to meeting our long-term business success goals. We are committed to investing in our people, providing them with the right set of skills, opportunities and an enabling environment to thrive. Company has maintained cordial and harmonious relations with employees across various locations. At the core of our success are our people and have been working towards keeping them engaged and inspired.

During the year under review, various training and development workshops were continued to be conducted to improve the competency level of employees with an objective to improve the operational performance of individuals. The company has built a competent team to handle challenging assignments. The Company strives to enhance the technical work, related and general skills of employees through dedicated training programs on a continuous basis. The Company has 537 employees as on March 31, 2023.

e) Threats

Drug Price Control:

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

Generics:

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

Manufacturing & Supplying Risk:

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

Currency fluctuation risks:

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

International Taxation:

As the Company has potential tax exposure resulting from application of varying laws and interpretations, which include intercompany transactions with related parties in relation to various aspects of business. Although the Company believes its cross border transactions between affiliates are based on internationally accepted practices, tax authorities in various jurisdictions may have different views or interpretations and subsequently challenge the amount of profits taxed in their jurisdiction resulting into increase in tax liability including interest and penalties causing the tax expenses to increase.

f) Formulation and Developments

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

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

g) Cautionary Statement

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

6. Directors' Responsibility Statement

Your Directors state that:

- a. In the preparation of annual accounts for the year ended March 31, 2023, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2023 and of the Profit of the Company for the year ended on that date;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the annual accounts on a "going concern" basis;
- e. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

7. Directors and Key Managerial Personnel

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

- At the 41st Annual General Meeting of the Company held on September 27, 2022 the shareholders approved reappointment of Mr. Rajendra R Shah as a Managing Director of the Company for the period of three years w.e.f. April 01, 2023. In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Dilip R Shah, Director of the Company is liable to retire by rotation at the ensuing 42nd Annual General Meeting and being eligible, offered himself for reappointment. The retirement of director by rotation at the ensuing Annual General Meeting is determined in accordance with the provisions of the Companies Act, 2013.
- There were no changes in Chief Financial Officer and Company Secretary of the Company during the year under review.

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

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

Key Managerial Personnel as at March 31, 2023 are as under:

1. Mr. Rajendra R Shah, Managing Director
2. Mr. Ashish Vasavada, Chief Financial Officer
3. Ms. Krishna Shah, Company Secretary

8. Number of Meetings of the Board

Four Meetings of the Board were held during the year on May 26, 2022, August 09, 2022, November 11, 2022 & February 13, 2023. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

9. Nomination Remuneration Policy

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

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

10. Board Evaluation

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

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

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

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

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

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

11. Internal Financial Control Systems and their adequacy

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

12. Audit Committee

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

13. Share Capital

The paid-up Equity Share Capital of the Company as at March 31, 2023 is INR 120 Lakhs. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

14. Risk Management

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks is getting managed within a unitary framework.

Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The Audit Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

15. Safety, Environment and Health

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

16. Particulars of Loans, Guarantees or Investments

The Company has not provided any loans and guarantees and no investments made pursuant to Section 186 of the Companies Act, 2013 during the year ended on March 31, 2023. Details of loans, guarantees and investments covered under section 186 of the Act are given in the notes to the Financial Statements.

17. Particulars of contracts or arrangements with related parties:

There are no materially significant related party transactions made by the Company with related parties which may have potential conflict of interest with the Company at large. As a matter of policy, your Company carries out transactions with related parties on an arms' length basis. Statement of these transactions is given at Note No. 48 of the Notes to financial statements.

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

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is available on the Company's website and can be accessed at <http://investor.mercury labs.com/wp-content/uploads/2023/02/Related-Party-Transaction-Policy.pdf>

18. Corporate Social Responsibility (CSR)

As Per Amendment and Section 135 of Companies Act, 2013, the Company has formulated Corporate Social Responsibility (CSR) Policy in accordance with Section 135 of the Companies Act, 2013 and reconstituted CSR Committee on May 14, 2015 with Mr. D. R. Zaveri and Mr. Bharat Mehta, Two Independent directors and Mr. Rajendra R Shah, Managing Director and Dilip Shah, Director of the Company.

Sr. No.	Name of Director	Category
1	Mr. Rajendra R Shah	Chairman & Member
2	Mr. Divyakant Zaveri	Member
3	Mr. Bharat Mehta	Member
4	Mr. Dilip Shah	Member

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

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

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

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

In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company had constituted an Internal Complaints Committee. The Committee has not received any complaint of sexual harassment during the financial year 2022-23. The policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at work place is placed on website of the Company <http://investor.mercury labs.com/wp-content/uploads/2019/11/Policy-on-Prevention-of-Sexual-Harassment-at-WorkPlace.pdf>

20. Vigil Mechanism/Whistle Blower Policy

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is posted on the website of the Company http://investor.mercurylabs.com/wp-content/uploads/2022/03/Whistle_Blower_Policy_MLL-1.pdf

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

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

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

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

23. Particulars of Employees and Remuneration

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') are annexed to this report as 'Annexure-E'

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Rules, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of this report and is provided in the 'Annexure-E'.

24. Auditors & Their Reports

(1) Statutory Auditors:

The term of appointment of M/s. R J Shah & Associates, Chartered Accountants as a statutory auditor had ended at the conclusion of 41st AGM. During the year, the Audit Committee and the Board of Directors recommended to the Members for the Appointment of M/s. Naresh & Co., Chartered Accountants, Vadodara as statutory auditors of the Company. M/s. Naresh & Co have consented to act as Statutory Auditor of the Company for term of five consecutive years from the conclusion of the 41st AGM till the conclusion of the 46th AGM and their appointment would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the Act, and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time. The shareholders of the Company approved their appointment at 41st Annual General Meeting of the Company held on September 27, 2022.

The Auditor's Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark which requires any clarification/ explanation. The Auditor's Report is enclosed with the financial statement in this Annual Report. There was no instance of fraud during the year under review, which required the statutory auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act, and the rules made thereunder. No fraud has been reported by the Auditors to the Audit Committee or the Board. The Notes on accounts, referred to in the Auditor's Report, are self-explanatory and therefore do not call for any further comments.

(2) Secretarial Auditors:

Pursuant to the provisions of the Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the Board of Directors of the Company had appointed M/s. Mitesh Rana & Co. a firm of Company Secretaries to carry out Secretarial Audit for the year ended on March 31, 2023. The Secretarial Audit Report is annexed as 'Annexure-F'

The Auditors' Report and the Secretarial Audit Report for the financial year ended March 31, 2023 do not contain any qualification, reservation, adverse remark.

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

The Board of Directors of your Company has appointed M/s. Mitesh Rana & Co., Company Secretaries, Vadodara to carry out Secretarial Audit of your Company for FY 2023-24.

(3) Cost Auditors:

Pursuant to the provisions of Section 148 read with Companies (Cost Records and Audit) Amendment Rules, 2014 and as recommended by the Audit Committee, the Board had appointed M/s. V.M. Patel & Associates, Practicing Cost Accountants, who have given their consent to act as Cost Auditors and laid on the table the consent letter received from them & confirmed that his appointment met the requirements of Section 141(3)(g) of the Act for the year 2023-24 and that he was free from disqualification as specified under section 141 read with Section 148 of the Act.

In terms of Rule 14 of the Companies (Audit and Auditors) Rule, 2014, remuneration payable to the cost auditors is required to be ratified by members. Accordingly, an ordinary resolution will be passed by members at the 42nd Annual General Meeting approving the remuneration payable to M/s. V.M. Patel & Associates.

(4) Internal Auditors

The Board of Directors appointed M/s. K R & Associates, Chartered Accountant as Internal Auditors of the Company for financial year 2023-24.

25. Deposits:

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

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

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

26. Extract of Annual Return

A copy of Annual Return as required in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, has been placed on Company's website at <http://investor.mercurylabs.com/miscellaneous-shareholder-details/>

27. Material Change & Commitments, if any

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

28. Corporate Governance Report

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

29. Independent Directors

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

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

30. Unclaimed Dividend Amounts and Transfer to IEPF

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

The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on March 31, 2023 on the website of the Company.

During the year under review, the Company has transferred 8700 equity shares of INR 10/- (Rupees Ten only) each of 14 members whose dividend has remained unclaimed / unpaid for a consecutive period of 7 (seven) years to the demat account of IEPF after giving notice to the members and advertisement in newspaper to claim their shares and the Company has credited unclaimed dividend of INR 1,45,967 to the Investor Education and Protection Fund (IEPF) pursuant to Section 125(1) of the Act, pertaining to FY 2014-15. Details of shares transferred to IEPF Authority during financial year 2022-23 are also available on the website of the Company <http://investor.mercurylabs.com/details-of-shares-to-iepf/>

31. Familiarisation Program for Independent Directors

All Independent Directors are familiarised with the operations and functioning of the Company at the time of their appointment and on an ongoing basis. The details of the training and familiarisation program are provided in the Corporate Governance Report and is also available on the website of the Company at http://investor.mercurylabs.com/wp-content/uploads/2023/06/Director-Familiarization-Programme_05.05.2023.pdf

32. Prohibition of Insider Trading

In compliance with The SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") as amended, the Company has framed a Code of Conduct to regulate, monitor and report trading by all the employees, directors, designated persons and their immediate relatives, connected persons and such employees of the Company who are expected to have access to the UPSI relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company. Company also maintains the structured digital database as mandated in the PIT Regulations.

33. Other Disclosures

- i. During the year under review, there was no change in Company's nature of business
- ii. The Company has not failed to implement any corporate action during the year under review;
- iii. The disclosure pertaining to explanation for any deviation or variation in connection with certain terms of public issue, rights issue, preferential issue, etc. is not applicable to the Company;
- iv. Company does not have any subsidiary, associate or joint venture Companies within the meaning of the Companies Act, 2013.
- v. No application was made nor is any proceeding pending under the Insolvency and Bankruptcy Code, 2016
- vi. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- vii. No settlements have been done with banks or financial institutions.

34. Acknowledgment

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

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

Date: May 05, 2023

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

Dilip R Shah
Director
DIN: 00257242
Place: USA

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

OBJECTIVE

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

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

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

PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

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

Statutory and Regulatory Parameters

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

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

Financial Parameters

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

External Factors

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

UTILISATION OF RETAINED EARNINGS

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

DIVIDEND AND CLASSES OF SHARES

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

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

DIVIDEND PAYOUT RATIO

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

CONFLICT IN POLICY

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

AMENDMENTS

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

REVIEW OF POLICY

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

DISCLOSURE OF POLICY

The Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website <http://investor.mercurylabs.com/wp-content/uploads/2022/03/DIVIDEND-DISTRIBUTION-POICY-2.pdf>

Date: May 05, 2023

On behalf of the Board of Directors of
Mercury Laboratories Limited

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

Dilip R Shah
Director
DIN: 00257242
Place: USA

ANNEXURE -B TO THE BOARD'S REPORT**Form No. AOC – 2**

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

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

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

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

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

There were no material contracts or arrangements, or transactions entered into during the year ended 31st March, 2023.

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

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

Date: May 05, 2023

On behalf of the Board of Directors of
Mercury Laboratories Limited

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

Dilip R Shah
Director
DIN: 00257242
Place: USA

ANNEXURE – C TO THE BOARD'S REPORT**Annual Report on CSR Activities undertaken during the financial year 2022-23****1. Brief outline on CSR Policy of the Company:**

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

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

2. Composition of CSR Committee:

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

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

CSR committee- investor.mercurylabs.com/wp-content/uploads/2022/03/Composition-of-Variou-committee.pdf,

CSR Policy- investor.mercurylabs.com/wp-content/uploads/2021/08/Corporate-Social-Responsibility-Policy.pdf

CSR projects approved by the board- http://investor.mercurylabs.com/wp-content/uploads/2023/06/CSR-Action-Plan_23-24.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. Not applicable

5. (a) Average net profit of the company as per section 135(5): INR 574.89 Lakhs
 - (b) Two percent of average net profit of the company as per section 135(5): INR 11.50 Lakhs
 - (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 - (d) Amount required to be set off for the financial year, if any: Nil
 - (e) Total CSR obligation for the financial year (5a+5b-5c): INR 11.50 Lakhs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): INR 11.51 Lakhs
 - (b) Amount spent in Administrative Overheads: INR 0.11 Lakhs
 - (c) Amount spent on Impact Assessment, if applicable: NIL
 - (d) Total amount spent for the Financial Year (6a+6b+6c): INR 11.62 Lakhs

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
INR 11.62 Lakhs	NIL				

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in INR)
(i)	Two percent of average net profit of the company as per section 135(5)	11.50 Lakhs
(ii)	Total amount spent for the Financial Year	11.62 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.12 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.12 Lakhs

7. **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable
8. **Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year:** No
9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Not applicable

On behalf of the Board of Directors,
Mercury Laboratories Limited

Rajendra R. Shah
Managing Director & Chairman of CSR committee
DIN: 00257253
Place: Vadodara
Date: May 05, 2023

Dilip R Shah
Director
DIN: 00257242
Place: USA
Date: May 05, 2023

ANNEXURE-D TO THE BOARD'S REPORT

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

1. CONSERVATION OF ENERGY

(i) The Steps taken or impact on conservation of energy:

- Replaced conventional light (CFL) light with energy efficient (LED) lights
- Replaced Reciprocating air compressor with Air screw compressor
- Installed variable frequency drive for all AHU system
- Changed SOP and PM planer of HVAC system maintenance for smooth operation

- Using auto DM water loop system
- Using rejected water of RO system in garden
- Using treated water of ETP in solar panel washing
- Using auto power corrector for maintaining of power factor

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

- Installed solar roof-top at our Jarod plant in the year 2020 -21

(iii) The capital investment on energy conservation equipment's:

During the year under report, the Company has spent INR 16.38 Lakhs on energy conservation equipments/consumables.

2. TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption;

Company has made efforts towards utilization of best technology available in the market to curb cost. Our Company designs and develops manufacturing processes through Re-engineering from product development stage to finished product keeping respect of therapeutic value effectiveness, technology upgradation and quality efficiency of the product.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

Quality Improvements and enhancement of product life, Expansion of product range.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NIL

(iv) The expenditure incurred on Research and Development: INR 0.85 Lakhs

3. FOREIGN EXCHANGE EARNING & OUT GO:

Sr. No	Particulars	(INR in Lakhs)	
		2022-23	2021-22
a.	Foreign Exchange Earnings	1907.67	952.97
b.	Foreign Exchange outgo towards	78.97	5.95

Date: May 05, 2023

On behalf of the Board of Directors,
Mercury Laboratories Limited

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

Dilip R Shah
Director
DIN: 00257242
Place: USA

Annexure – E to the Board's Report

A. Remuneration details of Directors and Key Managerial Personnel of the Company for the financial year 2022-23 is as follows:

The median remuneration of the employees of the Company for the financial year is INR 1.87 lakhs

Name of Director & KMP	Designation	Remuneration (INR in Lakhs)	Ratio to Median Remuneration	Percentage increase/decrease in the remuneration
*Mr. Divyakant R Zaveri	Independent Director & Chairman	2.5	1.37	---
Mr. Rajendra R Shah ²	Managing Director	18.86	10.09	(1.82)
Mr. Dilip R Shah	Non-Executive Director	---	---	---
Mr. Bharat Mehta	Independent Director	---	---	---
**Mr. Paresh Mistry	Non-Executive Director	13.24	7.08	13.75
Ms. Janki R Shah	Non-Executive Director	---	---	---
Mr. Ashish Vasavada	Chief Financial Officers	12.90	6.90	7.04
Ms. Krishna Shah	Company Secretary	3.31	1.77	19.95

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

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

Notes:

- There was no change in the criteria for payment of remuneration to Managing Director. The variation reflected in column "% increase in remuneration in FY 2022-23" is due to change in amount of perquisites and other benefits. Basic salary was remaining same.
- The remuneration to Directors is within the overall limits approved by the shareholders of the Company.

a. The percentage increase in the median remuneration of employees in the financial year:

The percentage increase in the median remuneration of employees in the financial year was 3.31%.

b. The number of permanent employees on the rolls of the Company: 537

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

The Average Annual increase in the salaries of employees other than managerial personnel in the Last Financial Year was around 11.50% (P.Y-7.64%).

Increase in the managerial remuneration for the year was NIL except there is Increase in Salary of Mr. Paresh Mistry, Non-Executive Director of the Company.

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

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

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

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

Sr. No	Name of Employee	Nature of employment/ Designation	Remuneration Received	Qualification & Experience	Date of Joining	Age	Last Employment held
1.	Saurabh Mittal ²	Marketing Manager	23.11	BE (14 years)	01/02/2019	39	Verizon Communication
2.	Rajendra R Shah	Managing Director	18.86	B. Pharm(48 years)	01/08/1975	71	None
3.	Mukesh Kumar Shrivastava	General Manager Sales & Marketing	16.71	B.sc & MBA(37 Years)	10/02/2011	66	VNB Life science Limited
4.	Paresh J Mistry	Purchase Manager-director	13.24	MBA(29 years)	07/01/1994	54	None
5.	Ashish G. Vasavada	Chief Financial Officer	12.90	CA, CMA, MFM, B.com (25 Years)	21/10/2021	52	Tata Projects Limited
6.	Mahendra Bhagwandas Patel	General Manager Production	11.02	B. Pharm (26 Years)	07/10/2019	55	Farbe Firma Ankleshwar
7.	Virender Kumar	Sales Manager	9.22	B.sc (26Years)	23/03/1998	50	Ethicare Laboratories
8.	Sharda Prasad Verma	Deputy General Manager	8.72	MBA (21 Years)	04/05/2020	48	Akumentis Healthcare
9.	Gaurav Dixit	Group Product Manager	8.28	B. Pharm(20 years)	04/11/2017	45	KNM Pharma Pvt Ltd
10	Krishnakumar Vallathol	Institutional Manager	8.20	M.sc(28 years)	01/04/2000	57	Manav Yarn Products Limited

Notes:

- The above remuneration includes Salary, H.R.A., Ex-gratia, Company's contribution to Provident Fund, Leave Encashment availed and taxable allowances & perquisites.
- In FY 2022-23, Mr. Saurabh Mittal, Marketing Manager had drawn excess remuneration than drawn by Managing director
- All are confirmed employees as on March 31, 2023 have been considered.
- Mr. Rajendra Shah is brother of Mr. Dilip Shah (Non-executive Director) and Father of Ms. Janki Shah (Non-executive director) and he holds 85,650 Equity shares of Company
- Mr. Saurabh Mittal is Husband of Ms. Janki Shah (Non-executive director) and Son in law of Mr. Rajendra Shah, Managing Director of the Company.

Date: May 05, 2023

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

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

Dilip R Shah
Director
DIN: 00257242
Place: USA

ANNEXURE F TO THE BOARDS' REPORT

FORM NO. MR 3
SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED ON **MARCH 31, 2023***[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Mercury Laboratories Limited
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mercury Laboratories Limited** (hereinafter referred to as "**Company**") for the financial year ended on March 31, 2023. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the major corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

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

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

Unmodified Opinion

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Mercury Laboratories Limited** ("**Company**") for the financial year ended on March 31, 2023, according to the provisions of

- i. The Companies Act, 2013 (**the Act**), and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under including amendments and enactment thereof
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable for External Commercial Borrowings as there was no reportable event during the financial year under review**

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time

- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (upto 12th August, 2021) & The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021); – **Not applicable as there was no reportable event during the financial year under review;**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (upto 15th August, 2021) & The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August, 2021) – **Not applicable as there was no reportable event during the financial year under review;**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client - **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (upto 09th June, 2021) & The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June, 2021) – **Not applicable as there was no reportable event during the financial year under review;**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not Applicable. The Company not bought back any shares / securities during the year under review.**)

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

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

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

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

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

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

We further report that

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. All the decision at the Board meetings were passed unanimously and with the requisite majority at the Annual General Meeting held during 2022 – 2023.

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

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

We further report that during the year under review:

1. During the year under review, Company had transferred 8,700 Equity Shares to IEPF Authority.

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

**MITESH RANA
COMAPNY SECRETARY
ACS M. No.: 28113
COP: 12364
PR No.:1430/2021**

**DATE: May 05, 2023
PLACE: VADODARA
UDIN: A028113E000257595**

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

Annexure A

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

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

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

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

**MITESH RANA
COMAPNY SECRETARY
ACS M. No.: 28113
COP: 12364
PR No.:1430/2021**

**DATE: May 05, 2023
PLACE: VADODARA
UDIN: A028113E000257595**

DECLARATION

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

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

I confirm that the Company has in respect of the financial year ended March 31, 2023 receive from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with code the code of conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Accountant and other employees in the Executive Cadre as on March 31, 2023.

Date: May 05, 2023

Place: Vadodara

Rajendra R Shah
Managing Director
DIN:00257253

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

To The Members of
Mercury Laboratories Limited

1. This Certificate is issued in accordance with the terms of our engagement and at the request of the Company.
2. We have examined the compliance of conditions of Corporate Governance by Mercury Laboratories Limited ('the Company'), for the year ended on March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2023.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

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

For Naresh & Co.
Chartered Accountants
FRN:106928W

CA Abhijeet Dandekar
Partner
M.No:108377
Place: Vadodara
Date: May 05, 2023
UDIN: 23108377BGUFPR6976

REPORT ON CORPORATE GOVERNANCE

1. STATEMENT ON COMPANIES PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

(a) Composition of Director

- i. As on March 31, 2023, the Board of Directors is consisting of 6 (Six) Directors with a one Managing Director, Two Independent Non-Executive Directors, One Woman Non-Executive Director and Two Non Independent Non-Executive Director. The Composition of Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the BSE Limited.
- ii. None of the Directors on the Company's Board is holding office of the Director in more than 20 (twenty) Companies including 10 (ten) Public Companies, 7 Listed Companies. Independent Directors are also not holding office of Director in more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees across all the companies in he acts as Director. Necessary, disclosures regarding committee positions in other public companies as on March 31, 2023 have been made by directors.
- iii. Independent directors are non-executive directors as defined under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have given declaration confirming that they meet the criteria as mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.

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

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

Composition, attendance at the Board Meetings during FY 2022-23 and the last Annual General Meeting, outside directorship and Membership / Chairmanship of Board Committees of other Companies for the year ended / as at March 31, 2023

Name of Directors	Category of Directors	No. of Board Meeting Attended during 2022-23	Attend ance at the last AGM	No. of outside Directorship held in Public Company	Number of memberships/chairman ship in Audit/ Stakeholder Committee(s)		No. of shares held as at March 31, 2023
					Chairman	Member	
Rajendra R. Shah DIN: 00257253	Promoter Executive Director (MD)	4	yes	-	None	None	85,650
Dilip R. Shah DIN: 00257242	Promoter Non-Executive Director	4	yes	-	None	None	84,850
Divyakant R. Zaveri * DIN: 01382184	Chairman & Non-Executive Independent	4	yes	3	3	5	-
Bharat D. Mehta DIN 07180906	Non-Executive Independent	4	yes	-	None	2	-
Paresh J Mistry DIN: 07893654	Non-Executive Non Independent Director	4	yes	-	1	2	-
Janki R Shah DIN: 08686344	Non-Executive Non Independent Director	4	yes	-	None	None	1,04,000

*Mr. Divyakant Zaveri is an Independent Non-Executive Director in listed Companies viz (1) Gujarat Containers Limited and (2) Saptrishi Agro Industries Limited (3) Krishna Defence and Allied Industries Limited. No other directors of the Company hold any directorship in any other listed Company as at March 31, 2023.

NOTE:

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

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

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

Date	Board Strength	No. of Directors present
May 26,2022	6	6
August 09,2022	6	6
November 11, 2022	6	6
February 13, 2023	6	6

The necessary quorum was present for all the meetings.

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

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

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

(b) Disclosure of Relationships inter se:

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

(c) Familiarization Programme for Independent Directors-

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

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

When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairperson, Managing Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities. Details of familiarization programmes is available on http://investor.mercurylabs.com/wp-content/uploads/2023/06/Director-Familiarization-Programme_05.05.2023.pdf

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

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

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

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

(e) Role of Independent Directors

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

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

An Independent Director is the Chairman of the Audit Committee, Nomination & Remuneration Committee, as at March 31, 2023.

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

(f) Meetings of Independent Directors

The Company's Independent Directors met on February 13, 2023 in absence of Non-Independent Directors and Members of Management. At this meeting the Independent Directors reviewed the following:

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

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

BOARD EVALUATION

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

3. Committees of the Board:

A. Audit Committee

The composition and the Terms of Reference of the Audit Committee meet with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the audit committee and the details of meetings attended by its members for the year ended on March 31, 2023 are given below. The Company Secretary act as secretary to Audit Committee.

Name	Category of Director	Number of Meetings during the Year 2022-23	
		Held	Attended
Mr. Divyakant R. Zaveri	Chairman, Non-Executive Independent	4	4
Ms. Paresh Mistry	Member, Non-Executive Non-Independent	4	4
Mr. Bharat D. Mehta	Member, Non-Executive Independent	4	4

During the financial year, four meetings of Audit Committee were held i.e. on May 26, 2022, August 09, 2022, November 11, 2022 & February 13, 2023. The necessary quorum was present at the meeting.

The CFO as an invitee attends the meeting of Audit committee regularly.

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

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

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

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

The Previous Annual General Meeting (AGM) of the company was held on September 27, 2022.

B. Nomination and Remuneration Committee

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

The Company has a duly constituted Nomination and Remuneration Committee of directors during the year ended on March 31, 2023 which was earlier known as Remuneration/Compensation Committee. During the financial year, there was one of meeting of Nomination & Remuneration Committee held on May 26, 2022. The necessary quorum was present at the meeting.

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

Name	Category of Director	Number of Meetings during the Year 2022-23	
		Held	Attended
Mr. Bharat D. Mehta	Chairman, Non-Executive Independent	1	1
Mr. Divyakant R. Zaveri	Member, Non-Executive Independent	1	1
Ms. Janki Shah	Member, Non-Executive Non- Independent	1	1

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

The Nomination and Remuneration Committee has laid down the criteria for evaluation of the performance of Independent Directors which includes parameters like knowledge and skills, professional conduct, duties, role and functions, independence, etc. Criteria for making payment to Non-Executive directors is also available on our website at <http://investor.mercurylabs.com/policies/>

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration of the Directors, Key managerial Personnel and other employee.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board; Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- Whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of Independent Directors

Remuneration Policy:

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

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

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

Details of sitting fees paid to Non-Executive Directors during the year 2022-23 are as under.

Name of Director	Sitting Fees Paid (INR in Lakhs)
Mr. Divyakant R. Zaveri	0.44
Mr. Bharat D. Mehta	0.44
Mr. Paresh J Mistry	0.35
Mr Dilip Shah	0.29
Ms Janki Shah	0.24

For the year ended on March 31, 2023 Remuneration was paid to Mr. Rajendra R Shah, Managing Director, of INR 12.72 Lakhs and perquisite of INR 6.14 Lakhs aggregate value thereof was INR 18.86 Lakhs with approval of shareholders. In 41st AGM, Mr. Rajendra R Shah has been reappointed as Managing Director for Three Years w.e.f April 01, 2023 which can be terminated by either party giving three months' notice in writing.

Non-Executive Directors do not draw any remuneration except Mr. Paresh J Mistry who hold office of Purchase Manager and Mr. Divyakant Zaveri, who is Independent director of the Company, and holding a degree of chartered accountant, being paid of INR 2.5 Lakhs as a professional fees for the FY 2022-23. However, they were paid per meeting sitting fees @ INR 5000 for Board Meeting and @ 1500 for each committee meeting during the year under review. For Annual Board Meeting, sitting fees is INR 7500 per meeting.

Mr. Paresh J Mistry, Non-Executive Director was paid remuneration of INR 13.24 Lakhs for the year ended on March 31, 2023 for holding and working as Manager Purchase of the Company.

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

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

C. STAKEHOLDER RELATIONSHIP COMMITTEE

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

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

Stakeholders Relationship Committee comprises one Non-Executive Non-Independent director, chairman of committee Mr. Paresh Mistry and Two Non-Executive Independent Directors namely Mr. Bharat Mehta, Mr. Divyakant Zaveri as at March 31, 2023

During the financial year, four meetings of Stakeholders Relationship Committee were held i.e. on May 26, 2022, August 09, 2022, November 11, 2022 & February 13, 2023. The necessary quorum was present at the meeting.

Name	Category of Director	Number of Meetings during the year 2022-23	
		Held	Attended
Mr. Paresh Mistry	Chairman, Non-Executive Independent	4	4
Mr. Divyakant R. Zaveri	Non-Executive Independent	4	4
Mr. Bharat D. Mehta	Non-Executive Independent	4	4

Ms. Krishna Shah, Company Secretary and Compliance Officer with the effect from January 31, 2022.

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

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Sr. No.	Name	Category of Director
1.	Mr. Rajendra R Shah	Chairman, Managing Director
2.	Mr. Divyakant Zaveri	Member, Non-Executive Independent Director
3.	Mr. Bharat Mehta	Member, Non-Executive Independent Director
4.	Mr. Dilip R Shah	Member, Non-Executive Non Independent Director

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

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

4. GENERAL BODY MEETING

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

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

AGM for the financial year ended	Day Date & Time of AGM	Place of AGM	Special Resolutions passed
March 31, 2022	27 th September 2022 at 11:30 AM	VC/OAVM	1. Re-appointment of Mr. Rajendra R Shah (DIN: 00257253) as Managing Director of the Company for the further period of 3 (Three) years effective from April 01, 2023. 2. Payment of Remuneration to Non- Executive Directors 3. To approve payment of remuneration to Mr. Divyakant Zaveri, (DIN: 01382184) an Independent Non-Executive Chairman of the Company 4. Continuation of Mr. Rajendra R Shah (DIN: 00257253) as a Managing Director of the Company
March 31, 2021	28 th September 2021 at 11:30 AM	VC/OAVM	1. Approval of Payment of remuneration to Non-Executive Director Mr. Paresh Mistry. 2. Inviting/Acceptance/ Renewal of Deposits from Members under Section 73 of the Companies Act, 2013
March 31, 2020	29 th September 2020 at 11:00 AM	VC/OAVM	1. Re-appointment of Mr. Rajendra R Shah (DIN: 00257253) as Managing Director for a further period of 3 (Three) years 2. Appointment of Ms. Janki R Shah (DIN: 08686344) as Director of the Company 3. Approval of Payment of remuneration to Non-Executive Director Mr. Paresh Mistry.

- b) **Whether any special resolution passed last year through postal ballot – details of voting pattern:**
 None
Person who conducted the postal ballot exercise: Not Applicable
Postal Ballot Voting Pattern: Not Applicable
Procedure for Postal Ballot: Not Applicable

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

5. Disclosure

I. Related Party Transactions:

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

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

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

IV. Vigil Mechanism/Whistle Blower Policy

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

The Whistle Blower Policy is posted on the website of the Company http://investor.mercury labs.com/wp-content/uploads/2022/03/Whistle_Blower_Policy_MLL-1.pdf

V. Code of Conduct

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

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

Reconciliation of share capital audit:

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

VI. Means of Communication-Website & News Paper Published

The Quarterly, Half yearly and Annual results of the company are normally published in free press journals in English and in Nav Shakti in Marathi News Papers having wide circulation. The Financial results are also displayed on the Company's website <http://investor.mercury labs.com/financial-report/> and posted on the BSE Corporate Compliance & Listing Centre. Official news releases and presentations made to institutional investors and analysts are posted on the Company's website.

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website at <http://investor.mercury labs.com/disclosures-under-regulation-46-and-62-of-sebi-lodr-regulations-2015/> There is a separate section on

'Investor Relations' on the website of the Company containing details relating to the financial results declared by the Company, annual reports, presentations made by the Company to investors, shareholding patterns and such other material information which is relevant to shareholders.

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

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

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

VII. General Shareholder information

(a) Annual General Meeting date, time and venue:

Day, Date & Time	Wednesday, September 27, 2023 at 11:30 a.m
Venue	Through Video Conferencing / OAVM

(b) Financial Calendar

Financial Year: April 1 to March 31

For the financial year 2022 – 23, the results were announced as per the following details

1 st Quarter ended on June 30, 2022	August 09, 2022
2 nd Quarter ended on September 30, 2022	November 11, 2022
3 rd Quarter ended on December 31, 2022	February 13, 2023
Audited Financial Result for the year ended on March 31, 2023	May 05, 2023

For the financial year 2023-24, financial results will be announced as per the following tentative schedule::

1 st Quarter ended on June 30, 2023	First week of August, 2023
2 nd Quarter ended on September 30, 2023	First week of November, 2023
3 rd Quarter ended on December 31, 2023	First week of February, 2023
Audited Financial Result for the year ended on March 31, 2024	Last week of May, 2024

- (c) **Dividend Payment Date** : On or after September 27, 2023
- (d) **Date of Book Closure** : From September 21, 2023 to September 27, 2023 (both days inclusive)
- (e) **Listing on Stock Exchange** : **BSE Limited.**
25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra-400 001.

The Company has paid the listing fees to this Stock Exchange for the year 2022-23.

- (f) **Stock Code on BSE Ltd.** : 538964
- (g) **ISIN Code in NSDL & CDSL for Equity Shares** : INE947G01011
- (h) **Corporate identity number (CIN) of the Company** : L74239MH1982PLC026341

(i) Investors can find web link for Material Subsidiary Policy :

<http://investor.mercurylabs.com/wp-content/uploads/2019/11/Policy-on-Material-Subsidiary.pdf>

(j) Investors can find web link for Related Party Transaction Policy:

<http://investor.mercurylabs.com/wp-content/uploads/2023/02/Related-Party-Transaction-Policy.pdf>

(k) Disclosures under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2023 are given in the Board's Report as well as in the Business Responsibility Report.

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

(l) Credit Ratings for Fixed Deposits:

CRISIL Rating has reaffirmed credit rating to 'BB+/Stable' on Fixed Deposits of INR 3 Cr. during the financial year 2022-23

(m) Market price data:

High / Low in each month of year 2022-23 on the Bombay Stock Exchange Limited, Mumbai.

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April-22	589.00	481.00	October-22	637.90	530.10
May-22	599.00	440.00	November-22	1000.00	520.00
June-22	499.80	390.00	December-22	860.90	648.10
July-22	574.90	401.45	January-23	832.00	705.60
August-22	524.00	413.95	February-23	834.00	608.10
September-22	636.00	455.00	March-23	669.85	510.30

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

Month & Year	Closing Sensex	% Change	Closing Price of Company's share	% change
April-22	57060.87	(2.69)	481.00	(0.83)
May-22	55566.41	(4.80)	460.00	(4.57)
June-22	53018.94	7.91	460.85	0.18
July-22	57570.25	3.30	457.00	(0.84)
August-22	59537.07	(3.67)	455.00	(0.44)
September-22	57426.92	5.46	575.00	20.87
October-22	60746.59	3.73	598.15	3.87
November-22	63099.65	(3.71)	839.50	28.75
December-22	60840.74	(2.17)	779.00	(7.77)
January-23	59549.90	(1.00)	798.50	2.44
February-23	58962.12	0.05	612.25	(30.42)
March-23	58991.52	3.47	585.40	(4.59)

(o) Registrar and Share Transfer Agent:

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

(p) Share transfer system:

SEBI has mandated that w.e.f. 1st April, 2019, shares shall be transferred only in demat form. The request for share transfer in physical form received upto 31st March, 2019 were processed and transferred by Registrar and Share Transfer Agents in accordance with SEBI circulars in this regard and the share certificates were returned within the stipulated period, if the documents were accurate in all respect. No fresh requests for transfer of shares in physical form can be lodged by the shareholders. Stakeholders' Relationship Committee has delegated powers to Registrar and Share Transfer Agents to effect requests for transmission, name deletion, duplicate share certificates, etc.

(q) Categories of Shareholding and Dematerialization of Shares as on March 31, 2023.

Category	Numbers of shares in physical form	Number of shares in dematerialized form	Number of total shares	Percentage of aggregate holding to total share capital
Promoters	0	883900	883900	73.66%
Foreign Institutional investors	0	0	0	0.00%
Public financial institutions	0	0	0	0.00%
Mutual funds	0	0	0	0.00%
Nationalized banks and other banks	0	0	0	0.00%
NRI's and OCB's	13200	14481	27681	2.31%
Others (includes holding of Corporate Bodies)	54600	233819	288419	24.03%
TOTAL	67800	1132200	1200000	100.00%
Percentage	5.65	94.35	100	

(r) Distribution of Share Holding as on March 31, 2023

No. of Shares	Number of shareholders	Percentage of Total	Number of shares for the range	Percentage of total shares
1 to 500	1103	94.76	98072	8.17
501 to 1000	18	1.55	13582	1.13
1001 to 2000	14	1.20	22985	1.92
2001 to 3000	7	0.60	17940	1.50
3001 to 4000	4	0.34	14125	1.18
4001 to 5000	2	0.17	8559	0.71
5001 to 10000	1	0.09	7688	0.64
10001 and above	15	1.29	1017049	84.75
Total	1197	100.00	1200000	100.00

(s) The Company has not issued any GDRs / ADRs or any convertible instrument.

(t) Plant locations: Unit 1: At 2/13-14 BIDD, Gorwa Industrial Estate, Baroda
Unit 2: At Jarod, Dist. Vadodara

(u) Address for Correspondence for Settlement of shares related:

- Link Intime India Pvt. Ltd.
102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020
Phone No.: 0265 – 2356573, 2356794, fax No.: 0265 – 2226216.
E-mail: vadodara@linkintime.co.in, Website : www. Linkintime.co.in
- Company Secretary & Compliance Officer
Mercury Laboratories Limited
2/13-14, Gorwa Industrial Estate,
Gorwa Road, Vadodara – 390 01
Phone No:0265-2280180
Email: secretarial@mercurylabs.com, Website: www.mercurylabs.com

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

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

Corporate Office: 2/13-14, Gorwa Industrial Estate, Gorwa Road, Vadodara – 390 01

Email: secretarial@mercurylabs.com **Website:** www.mercurylabs.com

VII. Certificate from Practicing Company Secretaries:

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

IX. Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**Mandatory requirements:**

The Company complies with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance.

Non-Mandatory requirements:

- a) Office for non-executive Chairman at company's expense: Not Applicable
- b) Half-yearly declaration of financial performance to each household of shareholders: Not complied
- c) Modified opinion(s) in Audit Report: Not applicable
- d) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Complied
- e) Reporting of Internal Auditors directly to Audit Committee: Complied

X. Disclosure by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

No loans and advances in the nature of loans to firms/companies in which directors are interested has been given by the Company and its subsidiaries.

XI. Details of material subsidiaries of the Company; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

The Company does not have any material subsidiary as per the SEBI Listing Regulations, 2015.

XII. Total fees paid to M/s. Naresh & Co, Statutory Auditors:

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

XIII. Information flow to the Board Members:

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

XIV. Code of Conduct for Prevention of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 including amendments thereof, the Company has adopted a comprehensive Code of Conduct for Prohibition of Insider Trading and procedures for fair disclosure of Unpublished Price Sensitive Information. The Company also maintains the structured digital database as mandated in the PIT Regulations.

XV. Disclosure of the compliance with corporate governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015:

The Company has complied with the requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the SEBI Listing Regulations, 2015

XVI. Disclosure of commodity price risks and commodity hedging activities: Not Applicable

XVI. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations, 2015: Not Applicable

XVIII. Instances of not accepting any recommendation of the Committee by the Board:

There was no such instance where Board had not accepted any recommendation of any committee of the Board, whether mandatorily required or not, in the relevant financial year.

XIX. The securities of the Company were not suspended from trading at any time during the year.

On behalf of the Board of Directors of
Mercury Laboratories Limited

Date: May 05, 2023

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

Dilip R Shah
Director
DIN: 00257242
Place: USA

To,
The Members
Mercury Laboratories Limited
CIN: L74239MH1982PLC026341

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

For Mitesh Rana & Co.,
Company Secretaries

Mitesh Rana
Proprietor
Membership No.: ACS 28113
CP No.: 12364
PR No.: 1430/2021
UDIN: A028113E000257562
Date: May 05, 2023
Place: Vadodara

CEO and CFO Certification

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

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2023 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors and the Audit Committee and the steps have been taken to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that-
- (1) There has not been any significant changes in internal control over financial reporting during the year under reference;
 - (2) There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (3) We are not aware of any instances during the year of significant fraud with involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting

Place: Vadodara
Date: May 05,2023

Rajendra R Shah
Managing Director
DIN: 00257253

Ashish Vasavada
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Mercury Laboratories Limited

Report on the Financial Statements**Opinion**

We have audited the accompanying Financial Statements of **MERCURY LABORATORIES LIMITED** ("the Company") which comprise the Balance sheet as at **31st March, 2023**, the Statement of Profit & Loss (Including the Statement of Other Comprehensive Income), the Statement of Cash Flow and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind As and other accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013, we enclose in the Annexure-A, a statement on the matters specified in paragraph 3 & 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our Audit;
 - b) In our opinion, proper books of accounts as required by the law have been kept by the Company, so far as appears from our examination of the said books;
 - c) The Balance Sheet, Statement of Profit & Loss including Other Comprehensive Income, statement of Changes in Equity and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company;
 - d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors, as on 31st March, 2023, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2023 from being appointed as a director of the Company in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate report in Annexure – B attached herewith.
 - g) With respect to the matter to be included in the Auditors Report u/s. 197(16) of the Act, in our opinion and according to information and explanations given to us, the remuneration paid by company to its directors is in accordance with the provisions of Section 197 of the Act read with Schedule V in terms of requisite approvals obtained as mandated therein and is not in excess of the limits specified therein.
 - h) With respect to the other matters to be included in our Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The details of pending litigations are as given in note 42 of notes forming part of the financial statements.
- (ii) There are no long-term contracts for which there were material foreseeable losses for which provision is required
- (iii) There has been no delay in transferring amounts required to be transferred to the Investor Protection Fund by the Company.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The Dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For Naresh & Co.
Chartered Accountants
(F.R.N. 106928W)**

**Place: Vadodara
Date: May 05, 2023
UDIN: 23108377BGUFPQ4919**

**CA Abhijeet Dandekar
Partner
(M. R. N. 108377)**

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

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

We also:

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

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

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

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

“ANNEXURE – A” TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement's" section of our report of even date for the year ended 31st March 2023 of Mercury Laboratories Limited)

- (I) (a) (A) The Company has maintained proper records of Property Plant & Equipments purchases. However, as informed to us the Company is in the process of updating its old records and Property Plant & Equipments Register showing full particulars including quantitative details and the situation of Property Plant & Equipments.
- (B) The Company has maintained proper records showing full particulars of the Intangible Assets.
- (b) The Company has a regular program of physical verification of its Property, Plant and Equipment by which the Property, Plant and Equipment are verified in phased manner over a period of time. In accordance with its program, certain Property, Plant and Equipment were verified during the year and as informed to us, no material discrepancies were noticed on such verification. In our opinion, the program of verification is reasonable having regard to the size of the Company and the nature its Assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Financial Statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or Intangible Assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The physical verification of inventories has been conducted at reasonable intervals by the management of the Company and in our opinion, and to the best of our knowledge and belief, the coverage and procedure for such verification by the management is appropriate. On the basis of our examination of the records of physical verification of inventory, we are of the opinion that the no discrepancies of 10% or more in aggregate for each class of inventory were noticed. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (b) The Company has been obtained sanction of working capital limits in excess of Rs. 5 Crores, in aggregate, from banks or financial institutions on the basis of security of current assets, at any point of time of the year. The quarterly returns / statements filed by the Company are in agreement with the books of accounts of the Company.
- (iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other Parties during the year under report. Consequently, no comments are necessary on Para (iii) (a) (b) (c) (d) (e) & (f) of the Order
- (iv) Since the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other Parties, the provisions of sections 185 are not applicable and no compliance is required u/s 186.
- (v) The Company has accepted deposits from members / directors and the same is in compliance with the provisions of Sections 73 to 76 of the Companies Act 2013. No order has been passed by the Company Law Tribunal or Reserve Bank of India or any court or any tribunal.
- (vi) We have broadly reviewed the cost records maintained by the company for its products pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and we are of the opinion that *prima facie* the prescribed cost records have been made and maintained. However, we have not made a detailed examination of these records with a view to determine whether they are accurate or complete
- (vii) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to the Company were outstanding, as at 31st March, 2023 for a period of more than six months from the date they became payable.

(b) According to the records of the company, there are no dues of Provident Fund, Employee's State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues applicable to it which have not been deposited on account of any dispute.

- (vii) There are no transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence no further comments are required under Para 3(viii) of the Order.
- (ix) (a) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any lender.
- (b) The Company has not been declared Willful Defaulter by and bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year. As such there were no outstanding term loans at the beginning of the year except vehicle loan and hence, reporting under clause (ix) (c) of the Order is not applicable.
- (d) On overall examination of the financial statements of the Company the funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company does not own any subsidiaries, associates or joint ventures and hence, reporting under clause (ix) (e) & (f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) There has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.
- (b) No report under Sub-section (12) of S. 143 of the Act has been filed by the Auditors in Form ADT-4 as prescribed under Rule 12 of the Companies (Audit and Auditors) Rule, 2014 with the Central Government.
- (c) As per the information and explanation given to us, no whistle-blower complaints, were received by the Company during the year.
- (xii) The Company is not a "Nidhi" Company. Hence, Para (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards
- (xiv) (a) The Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (b) The Reports of the Internal Auditor for the period under Audit were considered by the Statutory Auditors.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Paragraph 3 (xv) of the Order is not applicable.
- (xvi) (a) As per information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance Activities during the year.
- (c) The Company or any member Company of the Group is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, no comments are required on Paragraph (xvi) (c) & (d) of the Order.

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

For Naresh & Co.
Chartered Accountants
(F.R.N. 106928W)

Place: Vadodara
Date: May 05, 2023
UDIN: 23108377BGUFPQ4919

CA Abhijeet Dandekar
Partner
(M. R. N. 108377)

“Annexure – B” to the Independent Auditor's Report
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of MERCURY LABORATORIES LIMITED (“the Company”), as on 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 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 ICAI.

**For Naresh & Co.
Chartered Accountants
(F.R.N. 106928W)**

**Place: Vadodara
Date: May 05, 2023
UDIN: 23108377BGUFPQ4919**

**CA Abhijeet Dandekar
Partner
(M. R. N. 108377)**

AUDITED BALANCE SHEET AS AT 31ST MARCH, 2023

(INR in Lakhs)

	Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
I.	ASSETS			
(1)	Non - current assets			
	(a) Property, Plant and Equipment	4	2,377.49	2,494.43
	(b) Capital Work In Progress	5	13.00	-
	(c) Right of use assets	6	44.69	81.86
	(d) Other Intangible assets	7	4.08	5.62
	(e) Financial assets			
	(i) Investments	8	0.63	0.63
	(f) Other non - current assets	9	146.77	138.79
(2)	Current assets			
	(a) Inventories	10	690.18	677.95
	(b) Financial assets			
	(i) Investments	8	-	-
	(ii) Trade receivables	11	2,136.53	1,674.49
	(iii) Cash and cash equivalents	12	370.66	411.13
	(iv) Bank balances other than cash and cash equivalents	13	360.85	282.10
	(v) Others	14	53.21	47.99
	(vi) Other financial assets	15	3.54	3.11
	(c) Other current assets	16	555.90	425.08
	Total Assets		6,757.53	6,243.18
II.	EQUITY AND LIABILITIES			
(1)	Equity			
	(a) Equity Share capital	17	120.00	120.00
	(b) Other equity	18	4,442.89	3,910.68
	Liabilities			
(2)	Non - current liabilities			
	(a) Financial liabilities			
	(i) Long Term Borrowings	19	242.08	248.54
	(ii) Lease Liabilities	20	4.46	41.86
	(iii) Other Financial Liabilities	21	-	-
	(b) Provisions	22	116.09	124.33
	(c) Deferred Tax Liability (net)	23	189.19	223.04
(3)	Current liabilities			
	(a) Financial liabilities			
	(i) Short Term Borrowings	24	294.34	265.60
	(ii) Lease Liabilities	20	42.54	42.54
	(iii) Trade payables	25		
	a) Total outstanding dues of micro enterprises and small enterprises		74.70	55.24
	b) Total outstanding dues of creditors others than micro enterprises and small enterprises		563.56	631.31
	(iv) Other financial liabilities	21	335.00	179.35
	(b) Provisions	22	32.33	29.25
	(c) Other current liabilities	26	66.15	230.87
	(d) Current tax liabilities (net)	27	234.20	140.57
	Total Equity and Liabilities		6,757.53	6,243.18
	The accompanying notes 1 to 61 are an integral part of the financial statement.			
	As per our report of even date attached.			

For Naresh & Co
Chartered Accountants
FRN: 106928W

CA Abhijeet Dandekar
M. No. 108377
Partner

Place: Vadodara
Date : 05 May, 2023
UDIN: 23108377BGUFPQ4919

For and on behalf of the Board of Directors
Mercury Laboratories Limited

Rajendra R Shah
Managing Director
DIN : 00257253
Place: Vadodara

Ashish Vasavada
Chief Financial Officer
Place: Vadodara

Dilip R Shah
Director
DIN: 00257242
Place: USA

Krishna Shah
Company Secretary
Place: Vadodara

Dated: 05 May, 2023

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2023
 (INR in Lakhs)

	Particulars	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
I.	Revenue from operations	28	7,533.37	5,792.38
II.	Other income	29	171.93	81.59
III.	Total Income (I+II)		7,705.30	5,873.97
IV.	Expenses:			
	Cost of materials consumed	30	2,857.42	2,183.36
	Purchase of Traded Goods	31	238.70	204.59
	Changes in inventories of finished goods, by-products and work in progress	32	(54.52)	(22.00)
	Employee benefits expense	33	1,422.74	1,249.74
	Finance costs	34	36.19	44.64
	Depreciation and amortization expense	4-7	248.33	245.28
	Other expenses	35	2,211.98	1,477.68
	Total expenses (IV)		6,960.84	5,383.28
V.	Profit before exceptional and extraordinary items and tax (III-IV)		744.46	490.69
VI.	Exceptional Items		-	-
VII.	Profit before extraordinary items and tax (V-VI)		744.46	490.69
VIII.	Extraordinary Items			
	a. Prior Period Tax Adjustment		(4.83)	(12.75)
IX.	Profit before Tax (VII-VIII)		749.29	503.44
X.	Tax expense :			
	Current tax		225.25	137.00
	Deferred tax		(33.84)	10.25
XI.	Profit for the year		557.88	356.19
XII.	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss			
	- Defined Benefit Plan	36	21.82	12.43
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(5.49)	(3.46)
	(iii) Items that will be reclassified to profit or loss			
	-Fair Value Gain on Investments		-	-
	(iv) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total other comprehensive income, net of tax		16.33	8.97
XIII.	Total comprehensive income for the year		574.21	365.16
XIV.	Earnings per equity share (Nominal value per share Rs. 10/-)			
	- Basic (Rs.)		46.49	29.68
	- Diluted (Rs.)		46.49	29.68
	The accompanying notes 1 to 61 are an integral part of the financial statement.			

As per our report of even date attached.

For Naresh & Co
Chartered Accountants
FRN: 106928W

CA Abhijeet Dandekar
M. No. 108377
Partner

Place: Vadodara
Date : 05 May, 2023
UDIN: 23108377BGUFPQ4919

For and on behalf of the Board of Directors
Mercury Laboratories Limited

Rajendra R Shah
Managing Director
DIN : 00257253
Place: Vadodara

Ashish Vasavada
Chief Financial Officer
Place: Vadodara

Dilip R Shah
Director
DIN: 00257242
Place: USA

Krishna Shah
Company Secretary
Place: Vadodara

Dated: 05 May, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(INR in Lakhs)

Sr.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
A.	Cash flow from Operating Activities :		
	Net Profit before Tax & Extra Ordinary Items	744.46	503.11
	Adjustment for :		
	Depreciation & Write-offs	248.33	245.28
	Loss/(Profit) on Sale of Investments/Assets	-	(2.25)
	Bad Debts	-	-
	Finance Charges ROU	4.80	7.34
	Interest Expense	31.39	37.30
	Operating Profit before Working Capital Changes	1,028.98	790.78
	Adjustments for :		
	(Increase)/Decrease in Trade Receivables	(462.04)	500.11
	(Increase)/Decrease in Inventories	(12.23)	(162.11)
	(Increase)/Decrease in Loans & Advances	(5.22)	(0.76)
	(Increase)/Decrease in other current assets	(131.29)	48.11
	Increase/(Decrease) in Trade Payable	(48.29)	(491.52)
	Increase/(Decrease) in Other Current Liabilities	(9.06)	(0.36)
	Increase/(Decrease) in Long term provisions	(5.16)	26.10
	Cash Generated from Operations	355.69	710.35
	Interest Paid	-	-
	Direct Taxes Paid (Net of Refund)	(110.45)	(191.46)
	Cash Flow before Extra Ordinary Items	245.24	518.89
	Prior Period Items (being cash items)	-	-
	Net Cash Flow from Operating Activities	245.24	518.89
B.	Cash flow from Investing Activities		
	Purchase of Fixed Assets	(105.68)	(191.45)
	Net Proceeds from Sale of Fixed Assets	-	2.25
	Dividend Received	-	-
	Investments	-	-
	Net Cash used in Investment Activities	(105.68)	(189.20)
C.	Cash Flow from Financing Activities		
	Interest Paid	(31.39)	(37.30)
	Finance Charges ROU	(4.80)	(7.34)
	(Increase)/Decrease in Other Non current Assets	(7.97)	(17.73)
	Increase/(Decrease) in Short Term Borrowings	28.74	(14.78)
	Increase/(Decrease) in Lease Liabilities	(37.40)	84.40
	Increase/(Decrease) in Long Term Borrowings	(6.46)	(106.32)
	Dividend Paid (incl. Tax Thereon)	(42.00)	(24.00)
	Net Cash used in Financing Activities	(101.28)	(123.07)
D.	Net Increase/(Decrease) in Cash and Cash Equivalents	38.28	206.62
	Cash and Cash Equivalents at beginning of the year (Note no 62)	693.23	486.61
	Cash and Cash Equivalents at the end of the year (Note no 62)	694.28	632.27
	Earmarked balances with banks (Margin Money)	37.23	60.96
	Cash & Bank balances at the end of the year	731.51	693.23

For Naresh & Co
Chartered Accountants
FRN: 106928W

CA Abhijeet Dandekar
M. No. 108377
Partner

Place: Vadodara
Date : 05 May, 2023
UDIN: 23108377BGUFPQ4919

For and on behalf of the Board of Directors
Mercury Laboratories Limited

Rajendra R Shah
Managing Director
DIN : 00257253
Place: Vadodara

Ashish Vasavada
Chief Financial Officer
Place: Vadodara

Dilip R Shah
Director
DIN: 00257242
Place: USA

Krishna Shah
Company Secretary
Place: Vadodara

Dated: 05 May, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

a. Equity Share Capital :

(INR in Lakhs)

As at 31st March ,2022	120.00
Changes in equity share capital during the year	-
As at 31st March ,2023	120.00

b. Other Equity :

(INR in Lakhs)

	Reserves and Surplus				Total
	General Reserve	Securities Premium Reserve	Retained Earnings	Other Comprehensive Income	
Balance as at 1st April, 2021	3,241.34	36.00	271.64	20.54	3,569.52
Profit for the year	-	-	356.19	-	356.19
Other Comprehensive Income (net of tax)	-	-	-	8.97	8.97
Dividends paid including dividend tax thereon	-	-	(24.00)	-	(24.00)
Transfer to General Reserve	350.00	-	(350.00)	-	-
Balance as at 31st March, 2022	3,591.34	36.00	253.83	29.51	3,910.68
Balance as on 1st April, 2022	3,591.34	36.00	253.83	29.51	3,910.68
Profit for the year	-	-	557.88	-	557.88
Other Comprehensive Income (net of tax)	-	-	-	16.33	16.33
Dividends paid including dividend tax thereon	-	-	(42.00)	-	(42.00)
Transfer to General Reserve	350.00	-	(350.00)	-	-
Balance as at 31st March, 2023	3,941.34	36.00	419.71	45.84	4,442.89

Description of nature and purpose of each reserve -

a) General Reserve

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

b) Securities Premium Reserve

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

c) Retained Earnings

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

Notes to the Forming Part of Financial Statement for the year ended 31st March 2023**1. General Information of the Company:**

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

The company is engaged into the manufacturing and export of wide range of Pharmaceutical items. The products of the company are in the segment of gynae and pediatrics. The financial statements of the company for the year ended 31st March 2023 were authorized for issue in accordance with a resolution of the Board of directors on 5th May, 2023.

2. Basis of Preparation:**a. Statement of Compliance**

These financial statements have been prepared on a going concern basis following the accrual basis of accounting in accordance with the Generally accepted Accounting Principles (GAAP) in India (Indian Accounting standards referred to as "IndAS") as specified under the section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 and relevant amendments rules issued thereafter.

b. Basis of Measurement

The financial statements have been prepared on a historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value as required under relevant Ind AS.

c. Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

d. Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

i. Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

ii. Employee Benefit Plans

The cost of the defined benefit gratuity plan, other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

iv. Property, Plant and Equipment

Useful lives and residual values are determined by the management at the time the asset is acquired and reviewed at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

3. **Significant Accounting Policies:**

3.1 **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle
- ▶ It is held primarily for the purpose of trading
- ▶ It is due to be settled within twelve months after the reporting period, or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle

3.2 **Property, Plant & Equipments**

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company

All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Property, Plant and Equipment are subsequently measured at cost less accumulate depreciation and impairment losses, if any.

Depreciation on property, plant and equipment has been provided using straight line method using rates determined based on management's assessment of useful economic lives of the asset.

Followings are the estimated useful lives of various category of assets used which are aligned with useful lives defined in schedule II of Companies Act, 2013:

Building	30 Years
Plant & Machinery / ETP Plant	15 Years
Air Condition	15 Years
Air + Chiller Plant	15 Years
Laboratory Instruments	10 Years
Furniture & Fixture	10 Years
Computers	3 Years
Electrical Installation	10 Years
Vehicles	8 Years
Office Equipment	5 Years
Solar Panel	15 Years

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

Derecognition

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is de-recognized.

Capital work-in-progress (CWIP)

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in progress

Investment property

Property that is held for long term rental yield or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment property. Investment properties measured initially at cost including related transitions cost and where applicable borrowing cost. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is incurred the carrying amount of replaced part is derecognised.

3.3 Intangible assets

Recognition and Measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the company, it is probable that the future economic benefits that are attributable to the asset will flow to the company and cost of the asset can be reliably measured.

Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product oprocess is technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resources to complete development and to use or sell the asset.

Intangible assets acquired by the company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Subsequent Measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The estimated useful lives for current and comparative periods are as follows:

Software	3 years
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Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

3.4 Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Company in return for payment.

The Company as lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

In a sale and lease back transaction, the Company measures right-of-use asset arising from the leaseback as the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The gain or loss that the company recognises in the statement of profit and loss is limited to the proportion of the total gain or loss that relates to the rights transferred to the buyer.

The Company as lessor

Operating lease:

Rental income from operating leases is recognized in the statement of profit and loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognized on a straight-line basis over the lease term.

Finance lease

When assets are leased out under a finance lease, the present value of minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

3.5 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Provisions, Contingent Liabilities And Contingent Assets

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in respective expense.

Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

3.7 Income Tax

Current Tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

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

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates.

MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Balance Sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

3.8 Employee Benefits

Short-term Employee Benefits

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefit plans

Defined Contribution Plans:

State governed Provident Fund Scheme and Employees State Insurance Scheme are defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employees render the related services.

Defined Benefit Plans:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity scheme is a defined benefit plan. Currently, the Company's gratuity scheme is unfunded. The Company recognises the defined benefit liability in Balance sheet. The present value of the obligation under such defined benefit plan and the related current service cost and, where applicable past service cost is determined based on an actuarial valuation done using the Projected Unit Credit Method by an independent actuary, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) is reflected immediately in Other Comprehensive Income in the Statement of Profit and loss. All other expenses related to defined benefit plans are recognised in Statement of Profit and Loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to Statement of Profit and Loss hence it is treated as part of retained earnings in the Statement of Changes in Equity.

3.9 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or Liability
- ▶ The principal or the most advantageous market must be accessible to/ by the Company.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- ▶ Debt instruments at amortised cost - The Company has cash & cash equivalents, loans and trade receivables classified within this category.
- ▶ Debt instruments at fair value through other comprehensive income (FVTOCI) - The Company does not have any financial asset classified in this category.
- ▶ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL) - The Company does not have any financial asset classified in this category.
- ▶ Equity instruments measured at fair value through other comprehensive income (FVTOCI) - The Company does not have any financial asset classified in this category.

Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- ▶ The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ▶ Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Company has not designated any such debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

Derecognition:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss

Impairment of financial assets:

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- ▶ Financial assets that are debt instruments, and are measured at amortised cost e. g. Loans and trade receivables.
- ▶ The company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

3.10 Financial liabilities

Initial recognition and measurement:

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial liabilities are initially measured at fair value deducted by, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

Subsequent measurement:

Financial liabilities are classified as measured at amortised cost using the effective interest method. The Company's financial liabilities include trade payables, borrowings and other financial liabilities.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as expense over the relevant period of the financial liability in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

3.11 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short- term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.12 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

3.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Finished goods produced by the company are valued at lower of cost or net realizable value. Semi-Finished goods have been valued at lower of Raw Material cost, direct labour and appropriate proportion of variable and fixed overheads, latter being allocated based on normal operating capacity or net realizable value.

of goods purchased for resale purposes are valued at their acquisition cost inclusive of all duties and taxes or Net Realizable Value whichever is lower.

Provisions are made to cover slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which involves individual businesses considering their product lines and market conditions.

3.14 Foreign currency

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date.

Exchange differences arising on settlement of transactions and translation of monetary items are recognized in the statement of Profit or Loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs.

3.15 Revenue Recognition

Revenue from sale of products is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risks of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. Sale of products include related ancillary services, if any.

Goods are often sold with volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts.

Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. Any obligation to provide a refund is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

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

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

Sale of Scrap

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

Other income

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

Export Benefits

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

Dividend income

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

Insurance Claims

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

Commission Income:

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

3.16 Earnings Per Share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares.

3.17 Dividends

Any dividend declared by Mercury Laboratories Limited is based on the profits available for distribution as reported in the statutory financial statements of Mercury Laboratories Limited prepared in accordance with Generally Accepted Accounting Principles in India or Indian GAAP or Ind AS. Indian law permits the declaration and payment of dividend out of profits for the year or previous financial year(s) as stated in the statutory financial statements of Mercury Laboratories Limited prepared in accordance with Generally Accepted Accounting Principles in India, or Ind AS after providing for depreciation in accordance with the provisions of Schedule II to the Companies Act.

However, in the absence or inadequacy of the said profits, it may declare dividend out of free reserves, subject to certain conditions as prescribed under the Companies (Declaration and Payment of Dividend) Rules, 2014. Accordingly, in certain years the net income reported in these financial statements may not be fully distributable.

3.18 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.19 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets up to the assets are substantially ready for their intended use. The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortized in the year in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.20 Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

3.21 Segment Reporting

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

3.22 Government grants

Government grants are recognised at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met.

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the statement of profit and loss at the reporting date are included in the balance sheet as deferred income.

3.23 GST Input Credit

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

3.24 Functional and presentation currency

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

Note No : 4
PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Particulars	(INR in Lakhs)											Total		
	Land	Building	Plant & Machinery	ETP-Plant	Air Condition	AC+Chiller Plant	Laboratory Instruments	Furniture & Fixtures	Computers	Electrical Installation	Vehicle		Office Equipment	Solar Panel
Gross carrying amount														
Opening Balance As at 1st April ,2021	67.36	1,566.83	978.30	15.72	231.35	377.38	172.03	128.21	80.22	151.80	149.42	6.95	153.68	4,079.25
Additions	-	25.61	20.97	-	-	-	5.25	6.05	6.05	-	15.46	1.14	-	80.53
Deductions/ Adjustments	-	-	2.25	-	-	-	-	-	-	-	-	-	8.21	10.46
Transfer from Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening Balance As at 1st April ,2022	67.36	1,592.44	997.02	15.72	231.35	377.38	177.28	134.26	86.27	151.80	164.88	8.09	145.47	4,149.32
Additions	-	-	44.17	-	-	-	30.05	0.16	2.43	1.47	13.11	1.29	0.29	92.97
Deductions/ Adjustments	-	-	-	-	-	-	-	-	0.79	-	-	-	0.50	1.29
Transfer from Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance As at 31st March ,2023	67.36	1,592.44	1,041.19	15.72	231.35	377.38	207.33	134.42	87.91	153.27	177.99	9.38	145.26	4,241.00
Accumulated Depreciation:														
Opening Balance As at 1st April ,2021	-	385.59	366.06	6.25	104.05	171.92	96.67	75.95	73.69	102.87	60.79	5.73	2.32	1,451.89
Additions	-	50.48	53.77	0.35	11.78	26.60	11.04	7.24	4.71	15.09	14.36	0.46	9.36	205.24
Deductions/ Adjustments	-	-	2.25	-	-	-	-	-	-	-	-	-	-	2.25
Opening Balance As at 1st April ,2022	-	436.07	417.58	6.60	115.83	198.52	107.71	83.19	78.40	117.96	75.15	6.19	11.68	1,654.88
Additions	-	50.36	55.63	1.25	10.94	26.60	11.16	7.26	3.94	15.48	16.10	0.75	9.16	208.63
Deductions/ Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance As at 31st March ,2023	-	486.43	473.21	7.85	126.77	225.12	118.87	90.45	82.34	133.44	91.25	6.94	20.84	1,863.51
Net carrying amount:														
Balance As at 31st March ,2023	67.36	1,106.01	567.98	7.87	104.58	152.26	86.46	43.97	5.57	19.83	86.74	2.44	124.42	2,377.49
Balance As at 31st March ,2022	67.36	1,156.37	579.44	9.12	115.52	178.86	69.57	51.07	7.87	33.84	89.73	1.90	133.79	2,494.43

Note No : 5**Capital Work In Progress****(INR in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
<u>Projects Work In Progress</u>		
- less than 6 months	13.00	-
- 1 year to 2 years	-	-
- 2 year to 3 years	-	-
- More than 3 years	-	-
	13.00	-
<u>Projects Temporarily Suspended</u>		
- less than 6 months	-	-
- 1 year to 2 years	-	-
- 2 year to 3 years	-	-
- More than 3 years	-	-
	13.00	-

Note No : 6**Right of Use Asset****(INR in Lakhs)**

Particulars	Land
Gross carrying amount	
Opening Balance As at 1st April, 2021	-
Additions	119.15
Deductions/ Adjustments	-
Opening Balance As at 1st April, 2022	119.15
Additions	0.07
Deductions/ Adjustments	
Balance As at 31st March, 2023	119.22
Accumulated Depreciation:	
Opening Balance As at 1st April, 2021	-
Additions	37.29
Deductions/ Adjustments	-
Opening Balance As at 1st April, 2022	37.29
Additions	37.47
Deductions/ Adjustments	0.23
Balance As at 31st March, 2023	74.53
Net carrying amount:	
Balance As at 31st March, 2023	44.69
Balance As at 31st March, 2022	81.86

Note No : 7**Other Intangible Assets**

(INR in Lakhs)

Particulars	Computer Software
Gross carrying amount	
Opening Balance As at 1st April ,2021	35.36
Additions	
Disposals	
Transfer from Revaluation Reserve	
Opening Balance As at 1st April ,2022	35.36
Additions	0.70
Disposals	
Transfer from Revaluation Reserve	
Balance As at 31st March ,2023	36.05
Accumulated Depreciation:	
Opening Balance As at 1st April ,2021	26.98
Charge for the period	2.76
Other Adjustments	
Opening Balance As at 1st April ,2022	29.74
Charge for the period	2.23
Other Adjustments	
Balance As at 31st March ,2023	31.97
Net carrying amount:	
Balance As at 31st March ,2023	4.08
Balance As at 31st March ,2022	5.62

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

Note No : 8**INVESTMENTS**

(INR in Lakhs)

Particulars	Face Value	As at 31.03.2023		As at 31.03.2022	
		Units	Rs.	Units	Rs.
Non-Current Investment in Equity Instruments (At Cost) (Non Trade investment - Unquoted) BIDC	1,000	63.00	0.63	63.00	0.63
Total (A)			0.63		0.63
Current		-	-	-	-
Total (B)			-		-
Total (A + B)			0.63		0.63

Note No : 9**Other non-current assets**

(Unsecured, considered good)

(INR in Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
Employee Gratuity Scheme	146.77	138.79
Total	146.77	138.79

Note No : 10**Inventories**

(INR in Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
Raw materials	278.54	309.02
Packing Material	122.45	134.27
Work-in-progress	90.63	61.18
Finished goods	198.56	173.48
Total	690.18	677.95

(At lower of cost and net realizable value, unless stated otherwise)

Note No : 11**Trade receivables - Current**

(INR in Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
Unsecured, considered good		
Due from related parties	3.56	-
Due from others	2,340.91	1,753.82
Less: Impairment Allowance	207.94	79.33
Total Trade Receivables	2,136.53	1,674.49

Trade Receivable aging Scheduled as on 31st March , 2023

(INR in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables, considered good	1,496.99	154.55	129.00	68.34	287.65	2,136.53
(ii) Undisputed Trade Receivables, which have significant increase in credit risk	3.45	29.44	8.28	36.41	130.36	207.94
(iii) Undisputed Trade Receivables, credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables, considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables, which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables, credit impaired	-	-	-	-	-	-
Total	1,500.44	183.99	137.28	104.75	418.01	2,344.47

Trade Receivable aging Scheduled as on 31st March 2022

(INR in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables, considered good	742.73	302.71	144.58	164.28	320.19	1,674.49
(ii) Undisputed Trade Receivables, which have significant increase in credit risk	22.48	9.16	18.92	19.08	9.69	79.34
(iii) Undisputed Trade Receivables, credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables, considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables, which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables, credit impaired	-	-	-	-	-	-
Total	765.20	311.87	163.51	183.36	329.88	1,753.83

Note No : 12

Cash and cash equivalents

(INR in Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
Balances with banks		
(a) In current accounts	370.00	411.13
Cash on hand	0.66	-
Total	370.66	411.13

Note No : 13

Bank balances other than cash and cash equivalents

(INR in Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
Other Bank Balances		
(a) Deposits held as Margin Money	37.23	60.96
(b) Other Fixed Deposits with Bank (Less than 12 Months)	315.17	212.32
(c) Balances held in unpaid dividend accounts	8.45	8.82
Total	360.85	282.10

Note No : 14

Other - Current

(INR in Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
Earnest Money Deposit and Others	53.21	47.99
Total	53.21	47.99

Note No : 15**Other financial assets - Current**

(INR in Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
Accrued Interest Income	3.54	3.11
Total	3.54	3.11

Note No : 16**Other current assets**

(INR in Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
(Unsecured, considered good)		
(a) Advances to other than capital advances	40.84	18.97
(b) Prepaid expenses	22.19	11.44
(c) Balances with government authorities	184.40	172.40
(d) Other Advances	68.99	89.73
(e) Advance Income taxes and refunds receivable	238.34	132.37
(f) Advances to Staff	1.14	0.17
Total	555.90	425.08

Note No : 17**Equity Share capital**

(INR in Lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of shares	Amount	No. of shares	Amount
(a) Authorised				
Equity shares of par value Rs 10/- each	12,00,000	120.00	12,00,000	120.00
Cumulative Redeemable Convertible Preference Share of Rs 10/- each	13,00,000	130.00	13,00,000	130.00
Total	25,00,000	250.00	25,00,000	250.00
(b) Issued, subscribed and fully paid up				
Equity shares of par value Rs 10/- each at the beginning of the year	12,00,000	120.00	12,00,000	120.00
Changes during the year	-	-	-	-
At the end of the year	12,00,000	120.00	12,00,000	120.00
(c) Reconciliation of Number of Shares				
Shares at the beginning of the year	12,00,000	120.00	12,00,000	120.00
Add: Shares issued during the year	-	-	-	-
Shares at the close of the year	12,00,000	120.00	12,00,000	120.00

(d)	Rights, Preferences and restrictions attached to Shares				
	The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The holders of Equity Shares are entitled to receive dividends as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
(e)	Shares held by Holding Company and Subsidiaries of Holding Company in aggregate As at 31st March				
	Company does not have holding and subsidiary company during the FY 22-23 and FY 21-22				
(f)	DETAILS OF SHARES HELD BY PROMOTERS AND OTHERS (OTHERS BEING SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY)				
	Name of shareholder	As at 31.03.2023		As at 31.03.2022	
		No. of shares held	% of holding	No. of shares held	% of holding
	Promoters' Group:				
	Dilipbhai Ramanlal Shah (HUF)	3,10,600	25.88	3,10,600	25.88
	Shah Rajendra Ramanlal (HUF)	2,09,050	17.42	2,09,050	17.42
	Janki Rajendra Shah	1,04,000	8.67	1,04,000	8.67
	Rajendra Ramanlal Shah	85,650	7.14	85,650	7.14
	Dilipbhai Ramanlal Shah	84,850	7.07	84,850	7.07
	Pareesh Ramanlal Shah	23,650	1.97	23,650	1.97
	Kaumudini Rajendra Shah	21,150	1.76	21,150	1.76
	Adit Dilipbhai Shah	15,450	1.29	15,450	1.29
	Bimal Ramanlal Shah	14,000	1.17	14,000	1.17
	Parulben Kiranbhai Laliwala	12,200	1.01	12,200	1.01
	Kishoriben Dilip Shah	3,300	0.28	3,300	0.28
	Other than Promoters				
	(Shareholders holding more than 5%)	-	-	-	-

Note No : 18**Other equity**

(INR in Lakhs)

Particulars		As at 31.03.2023		As at 31.03.2022	
(a)	General Reserve				
	Balance as per Last Account	3,591.34		3,241.34	
	Add : Additions during the year	350.00		350.00	
	Balance at the end of the year		3,941.34		3,591.34
(b)	Securities Premium Reserve				
	Balance as per last account	36.00		36.00	
	Add: Securities Premium received during the year	-		-	
	Balance at the end of the year		36.00		36.00
(c)	Retained earnings				
	Balance as per Last Account	253.83		271.64	
	Add : Surplus as per Statement of Profit and Loss	557.88		356.19	
	Amount available for appropriation	811.71		627.83	
	Less : Appropriations:				
	Dividend on equity shares	42.00		24.00	
	Transfer to general reserve	350.00		350.00	
	Balance at the end of the year		419.71		253.83
(d)	Other Comprehensive Income (OCI)				
	Balance as per Last Account	29.51	-	20.53	-
	Add: Other comprehensive income for the year	16.33		8.97	
	Less: Transfer to retained earnings				
	Balance at the end of the year		45.84		29.51
	Total other equity		4,442.89		3,910.68

Note No : 19**Non-Current Financial Liability****(INR in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
Long Term Borrowings Secured Loans		
Vehicle Loan	-	6.02
Total (A)	-	6.02
Unsecured Loans Fixed Deposits From Members Loan from Directors	217.08 25.00	217.08 25.44
Total (B)	242.08	242.52
Total (A + B)	242.08	248.54

Vehicle Loan taken from HDFC Bank at the interest rate of 7.65 % p.a
Interest on unsecured deposits and Loan from Directors have been paid at the rate of 8% p.a.

Note No : 20**Lease Liabilities****(INR in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
NON CURRENT Lease Liability Payable beyond 12 months	4.46	41.86
CURRENT Lease Liability Payable within 12 months	42.54	42.54
Total Lease Liabilities	47.00	84.40
The Movement in Lease liabilities is as follows: Balance as at beginning of the year Add: Addition Accretion of interest Less: Payments	84.40 - 4.80 42.20	- 119.15 7.34 42.09
Closing balance as at 31st March	47.00	84.40

Note No : 21**Other financial liabilities****(INR in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
NON CURRENT	-	-
Total Non Current Other Financial Liabilities (A)	-	-
CURRENT Unpaid Dividends Security Deposits Other Expenses Payable	8.45 93.20 233.35	8.82 93.20 77.33
Total Current Other Financial Liabilities (B)	335.00	179.35
Total (A + B)	335.00	179.35

Note No : 22
Provisions

(INR in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
NON CURRENT		
Provision for Employee Benefits: - Provision for Gratuity	116.09	124.33
Total Non Current Provisions (A)	116.09	124.33
CURRENT		
Provision for Employee Benefits: - Provision for Leave Encashment	32.33	29.25
Total Current Provisions (B)	32.33	29.25
Total (A + B)	148.42	153.58

Notes:

I. The Company has a defined benefit gratuity plan. Every employee who has completed five or more years of service is eligible for gratuity @ 15 days salary (last drawn) for every completed year of service with a overall ceiling of 20 lakhs. The Company has taken a Group Gratuity cum Life Insurance Policy from Life Insurance Corporation of India (a qualifying policy) and makes annual contributions to the same to create a fund to meet this defined benefit gratuity obligation.

Method Used

Actuarial Assumptions Used

Mortality Rate

Discount Rate

Expected Return on Plan Assets

Salary Escalation Rate

Major Categories of Plan Assets

Projected Unit Credit Method

Indian Assured Lives Mortality (2012-14)

7.40%

7.40%

7.00%

Insurer Managed Funds – 100%

(INR in Lakhs)

Change in Present Value of Defined Benefit Obligation	As at 31.03.2023	As at 31.03.2022
Present Value of Obligations as at the beginning of the Year	124.34	106.08
Interest Cost	9.00	7.43
Current Service Cost	12.51	25.08
Benefits Paid	(7.94)	(1.83)
Actuarial (gains) / losses on obligation	(21.82)	(12.43)
Present Value of Obligations as at the end of the Year	116.09	124.34
Change in Fair Value of Plan Assets		
Fair Value of Plan Assets as at the beginning of the Year	138.79	121.06
Expected Return on Plan Assets	8.56	7.91
Contributions	4.85	11.65
Benefits Paid	(5.43)	(1.83)
Actuarial (gains) / losses on Plan Assets	NIL	NIL
Fair Value of Plan Assets as at the end of the Year	146.77	138.79

Contd... Change in Present Value of Defined Benefit Obligation

(INR in Lakhs)

Change in Present Value of Defined Benefit Obligation	As at 31.03.2023	As at 31.03.2022
Defined Benefit Obligation as recognized in Balance Sheet		
Present Value of Obligations as at the Year end	116.09	124.34
Unrecognised Past Service Cost	-	-
Fair Value of Plan Assets as at the Year end	146.77	138.79
Net (Asset) / Liability recognized in Balance Sheet	(30.68)	(14.45)
Net Gratuity Benefit Expenditure Recognised in P&L Account		
Current Service Cost	12.51	25.08
Interest Cost	9.00	7.43
Expected Return on Plan Assets	(8.56)	(7.91)
Net Actuarial (Gain) / Loss Recognised in the Year	(21.82)	(12.43)
Net Expense Recognised in Statement of Profit & loss	(8.87)	12.17

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

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2022-23.

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

Interest Rate Risk:

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

Liquidity Risk:

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

Salary Escalation Risk:

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

Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of Rs. 10,00,000)

Note No : 23**Deferred tax assets/liability (net)**

(INR in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Deferred Tax Asset	40.42	30.91
Deferred Tax Liabilities	229.61	253.95
Total	189.19	223.04

Deferred tax (asset)/liabilities in relation to:**(INR in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
Opening balance		
Loss allowances on trade receivables (Expected Credit Loss)	(22.07)	(22.02)
Non deductible expenses for tax purpose	(8.13)	(5.95)
Property, plant and equipment	253.24	240.76
Investments carried at FVTPL		
Total	223.04	212.79
Recognised in Profit or loss		
Loss allowances on trade receivables (Expected Credit Loss)	(10.21)	(0.05)
Non deductible expenses for tax purpose	(0.01)	(2.18)
Property, plant and equipment	(23.63)	12.48
Investments carried at FVTPL	-	-
Total	(33.84)	10.25
Recognised in Other comprehensive income		
Investments carried at FVTOCI	-	-
Remeasurement of Defined benefit plans (OCI)	-	-
Total	-	-
Closing balance		
Loss allowances on trade receivables (Expected Credit Loss)	(32.28)	(22.07)
Non deductible expenses for tax purpose	(8.14)	(8.13)
Property, plant and equipment	229.61	253.24
Investments carried at FVTOCI	-	-
Remeasurement of Defined benefit plans (OCI)	-	-
Total	189.19	245.11

Note No : 24**Short - Term Borrowings****(INR in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
SECURED		
Cash Credit Facility	288.76	258.20
Vehicle Loan	5.58	7.40
Total	294.34	265.60

HDFC Bank has sanctioned various credit facilities as working capital finance & Export Credit facility which is secured by way of Hypothecation charged over book debts and inventory. Further, equitable mortgage is also created on company property situated at Gorwa. Personal Guarantee of Director Rajendra Shah is also given to the Bank. The rate of Interest for Working Capital finance is 10.11 % p.a.

Vehicle Loan taken from HDFC Bank at the interest rate of 7.65 % p.a

Note No : 25**Trade Payables - Current****(INR in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
<u>Total outstanding dues of creditors</u>		
a) Total outstanding dues of micro enterprises and small enterprises	74.70	55.24
b) Total outstanding dues of creditors others than micro enterprises and small enterprises	563.56	631.31
	638.26	686.55
Sundry Creditors are as per books and have not been corroborated by		
Trade Payables Ageng Schedule (Outstanding for following periods from due date of payment)		
<u>Micro and small enterprises</u>		
- less than 1 year	74.70	55.24
- 1 year to 2 years	-	-
- 2 year to 3 years	-	-
- More than 3 years	-	-
	74.70	55.24
<u>OTHERS</u>		
- less than 1 year	553.66	609.37
- 1 year to 2 years	0.07	12.42
- 2 year to 3 years	0.47	9.52
- More than 3 years	9.36	-
	563.56	631.31

NOTE: Refer Note No.50 for Dues of Micro and Small Enterprises

Dues to Micro and Small Enterprises :

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

Note No : 26**Other current liabilities****(INR in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
Advance's from Customers	39.70	118.11
Statutory Liabilities	10.23	8.60
Others Current Liability	16.22	104.15
Total	66.15	230.87

Note No : 27**Current Tax Liabilities (Net)****(INR in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for Current Taxation	234.20	140.57
Total	234.20	140.57

Note No : 28**Revenue From Operations**

(INR in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Sale Of Goods		
- Domestic Sales	5,625.70	4,839.41
- Export Sales	1,907.67	952.97
Total	7,533.37	5,792.38

Note No : 29**Other Income**

(INR in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Interest Income		
Fixed Deposits With Banks	12.35	8.84
Duty Drawback / Advance License / MEIS License	21.41	14.95
Other Non- Operating Income		
Prior Period Income	-	2.25
Profit on sale of assets	-	2.25
Miscellaneous Income	14.14	10.16
Exchange rate difference	124.03	43.14
Total	171.93	81.59

Note No : 30**Cost of Material Consumed**

(INR in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Raw Material		
Balance as per last account	309.02	185.49
Add: Purchases during the year	1,670.92	1,449.87
Less: Balance at the end of the year	278.54	309.02
TOTAL (A)	1,701.40	1,326.34
Packing Material Consumed	1,102.58	812.85
TOTAL (B)	1,102.58	812.85
Consumable Stores and Spares Consumed (C)	53.44	44.17
Total Consumption (A+B+C)	2,857.42	2,183.36

Note No : 31**Purchase Of Traded Goods**

(INR in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Purchases	238.70	204.59
Total	238.70	204.59

Note No : 32**Changes in Inventory of Finished goods, Work in Progress & Stock-in-Trade****(INR in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
(Increase)/ Decrease in Stocks		
Stock at the end of the Year:		
Finished Goods	198.56	173.48
Work In Progress	90.63	61.18
Total (A)	289.18	234.66
Less: Stock at the Beginning of the year:		
Finished Goods	173.48	181.94
Work In Progress	61.18	30.72
Total (B)	234.66	212.66
Total (B-A)	(54.52)	(22.00)

Note No : 33**Employee Benefit expenses****(INR in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
Salaries, Wages and Bonus & other allowances	1,331.68	1,151.97
Contributions to Provident Fund and Other Funds	57.90	54.77
Gratuity Expenses	16.62	26.35
Staff Welfare Expenses	16.54	16.65
Total	1,422.74	1,249.74

Note No : 34**Finance Costs****(INR in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
Interest Expenses on Borrowings	0.90	9.64
Bank charges & Others	30.49	27.66
Finance Charges on Lease Liability	4.80	7.34
Total	36.19	44.64

Note No : 35**Other Expenses****(INR in Lakhs)**

Particulars	As at 31.03.2023	As at 31.03.2022
Power and Fuel	162.22	115.21
Analytical & Testing Expense	14.25	17.43
Laboratory Expenses	16.07	17.19
Calibration Charges	2.76	2.18
Manufacturing Processing cost	19.05	10.54
Repairs & Maintenance: Building	79.87	22.18
Repairs & Maintenance: Plant & Machinery	122.87	53.17
Repairs & Maintenance: Others	36.74	27.71
Printing & Stationary Expense	48.64	41.12
Directors sitting fees	1.74	1.82

Contd... Particulars

(INR in Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
Reserch & Development Exp	0.85	2.41
Rent, Rates and Taxes	4.23	9.72
Inspection Fees	2.05	7.00
Insurance	11.77	10.19
Legal and Professional Fees	89.91	68.22
Security charges	12.18	11.96
Prior Period Expense	2.92	22.68
Bad & Doubtful debt	128.61	0.18
Payments to Auditors (Please refer note 48)	2.50	2.50
Travelling Expense	525.15	386.75
Commission & Brokerage	163.38	130.22
Computer Maintenance Exp.	8.36	8.73
Donation	0.25	-
Motor Car & Scooter Exp	13.64	12.45
Postage & Courier	5.47	5.35
Telephone Exp	3.53	2.94
Wastage & Disposable Expense	0.80	3.50
Fumigations Charges	3.10	1.03
Duties & Taxes	31.26	57.71
Bad Debts Written Off	48.36	1.37
Other Expense	13.89	9.50
Seling Exp	219.37	102.46
Packing & Forwarding Exp	288.99	178.27
Loss On Expiry, Spoilage & Breakage	112.90	121.87
Loss on sale of MEIS License	2.68	-
Demurrage Charges	-	2.31
CSR Activity	11.62	9.81
Total	2,211.98	1,477.68

Note No : 36

Other comprehensive income

(INR in Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
(i) Items that will not be reclassified to profit or loss		
Defined Benefit Plan on Gratuity	21.82	12.43
Income tax relating to items that will not be reclassified to profit or loss	(5.49)	(3.46)
(ii) Items that will be reclassified to profit or loss		
Fair Value Gain on Investments	-	-
Less: Income tax relating to items that will not be reclassified to profit or loss	-	-
Total	27.31	15.89

Note No 37 :

C.I. F. value of imports

(INR in Lakhs)

Particulars	Year ended	Year ended
	31.03.2023	31.03.2022
Raw Materials	26.50	-
Total	26.50	-

Note No 38 :
Expenditure in Foreign Currency

Particulars	(INR in Lakhs)	
	Year ended 31.03.2023	Year ended 31.03.2022
Travelling Expense	27.64	5.95
Registration / Inspection Fees	24.83	-
Total	52.47	5.95

Note No 39 :

'Sundry Creditors and Sundry Debtors are as per books and have not been corroborated by circulation / confirmation of balances / reconciliation of accounts. Confirmations of parties concerned, for the amount receivable / due to them as per accounts of the company, are under process of reconciliation and adjustments required, if any, will be made as and when the accounts are settled.

Note No 40 :

'In the opinion of the Board, the Current Assets, Loans and Advances which are considered good are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business. Further, in the opinion of the Board, provision of all known liabilities has been adequately made in the accounts.

Note No 41 :

Company has used the borrowing from Bank for the specific purpose for which it was taken at Balance sheet date.

Note No 42 :
Contingent Liabilities and Commitments

Particulars	(INR in Lakhs)	
	Year ended 31.03.2023	Year ended 31.03.2022
Contingent Liabilities		
Claims against the Company not acknowledged as debt	-	-
Guarantees (Bank Guarantee)**	74.69	47.98
Total	74.69	47.98
Commitments		
Estimated amounts of contracts remaining to be executed on capital account and not provided for	-	-
Uncalled liability on shares or investments partly paid	-	-
Other Commitments		
Total	-	-

'Guarantees:

Bank Guarantees outstanding as on 31st March, 2023, amounted to INR 74.69 Lacs (P.Y. INR 47.98 Lacs) against which the company has kept the Margin Money Deposits worth INR 37.23 Lacs (P.Y. INR 60.96 Lacs).

**An amount of INR .35. 70 Lacs is debited by State bank of India on 18th May,2019. The amount is debited in pursuant to an order of Debt Recovery Tribunal-II, Ahmedabad dated 06.05.2019. The order was to restrict any withdrawals from our account on basis of a Bank Guarantee given by the company, but since the day to day operations would have been hampered due to non withdrawal from the accounts, the amount was paid from the bank account of the company.

The company has now filed a stay application in the Honourable Gujarat High court against the order, and the amount is treated as a contingent liability.

Dy. Registrar of Companies, Mumbai, has filed the petition in Hon'ble Session (Special) Court Mumbai, against the company for alleged violation of certain provision of the Companies Act, 2013 in past years. However these violations are compoundable in nature. The company is defending matter in court. The outcome of petition is pending and as on date liability is not ascertainable.

Note No 43 :
Earnings in Foreign Currency

Particulars	(INR in Lakhs)	
	Year ended 31.03.2023	Year ended 31.03.2022
Continent wise Breakup of Export Goods		
- Asia	920.86	485.52
- America	478.56	169.52
- Africa	385.35	218.61
- Europe	122.90	79.32
Total	1,907.67	952.97

Note No 44 :
Lease Commitments

Particulars	(INR in Lakhs)	
	Year ended 31.03.2023	Year ended 31.03.2022
Amortisation of Right to use Assets	37.47	37.29
Interest charges on Lease Liability ROU	4.80	7.34
Total	42.27	44.63

Note No 45 :
Particulars of Foreign Currency Exposure

Particulars	(INR in Lakhs)	
	Year ended 31.03.2023	Year ended 31.03.2022
Sundry Debtors	1,042.69	822.24
Sundry Creditors	-	-
Total	1,042.69	822.24

Note No 46 :
Director's Remuneration

Directors' remuneration paid during the year is in accordance with limit prescribed under the Companies Act, 2013 and the requisite approval taken under Section 197(3) of the Companies Act, 2013 for giving the Remuneration as it is above the limits prescribed by Section 197 read with Section I of Part-II of Schedule V of the Companies Act, 2013. The amounts paid includes the following

Particulars	(INR in Lakhs)	
	Year ended 31.03.2023	Year ended 31.03.2022
Remuneration	25.95	12.65
Performance Bonus	6.14	6.56
Total	32.09	19.21

Note No 47 :
Auditors Remuneration

(INR in Lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
As Auditors	2.50	2.50
Total	2.50	2.50

Note No 48 :
Related Party Transactions

The Company has identified all the related parties having transactions during the year in line with Ind AS 24 - Related Party Disclosures. Details of the same are as under:

List of Related Parties

Name of Related Party	Nature of Relationship
R .R. Shah	Managing Director
D. R. Shah	Director
Paresh Mistry	Director
Janki R Shah	Director
Mercury Antibiotics LLP. (Formerly known as Mercury Antibiotics Pvt Ltd, converted into Mercury Antibiotics LLP w.e.f 16.12.2022)	A Firm in which directors & their relatives are partners
JAS Healthcare Inc.	An enterprise in which Director & his Relatives are Director
Mercury Marketing & Consulting Services	A Concern in which Relative of Directors are Partner
Mercury Pharma Distributors	A Concern in which Directors and their Relatives are Partner
Shri Ramanbhai Bapulal Shah Education and Charitable Trust	A Concern in which Directors and Relatives are Trustee
Dr. Shrutiben Dilipbhai Shah Education and Charitable Trust	A Concern in which Directors and Relatives are Trustee
Divyakant Zaveri	Independent Director
Bharat Mehta	Independent Director
Dilip R. Shah (H.U.F.)	Relatives of Director
Kaumudiniben R. Shah	Relatives of Director
Kishoriben D. Shah	Relatives of Director
R.R. Shah(H.U.F)	Relatives of Director
Adit D. Shah	Relatives of Director
Paresh R Shah	Relatives of Director
Bimal R Shah	Relatives of Director
Parulben Kiranbhai Laliwala	Relatives of Director
Saurabh Mittal	Relatives of Director
Enu Khandelwal	Chief Financial Officer (till 22.06.2021)
Kinjal Khandelwal	Company Secretary (till 31.01.2022)
Ashish Vasavada	Chief Financial Officer (w.e.f 21.10.2021)
Krishna Shah	Company Secretary (w.e.f 31.01.2022)

Transactions with Related Parties

(INR in Lakhs)

Name of Related Party	Nature of Transaction	Year ended 31.03.2023	Year ended 31.03.2022
R .R. Shah	Remuneration	12.72	12.65
	Perquisites	6.14	6.56
	Dividend Paid	3.00	1.71
D.R. Shah	Director Fees	0.29	0.27
	Dividend Paid	2.97	1.70
Paresh Mistry	Salary	13.24	11.64
	Director Fees	0.35	0.35
Janki R shah	Director Fees	0.24	0.27
	Deposit renewed	-	13.88
	Interest on Deposit	1.11	1.11
	Repayment of Loan	-	5.00
	Interest on Loan	2.00	2.03
	Dividend Paid	3.64	2.08

Contd... Transactions with Related Parties

(INR in Lakhs)

Name of Related Party	Nature of Transaction	Year ended 31.03.2023	Year ended 31.03.2022
Mercury Antibiotics LLP. (Formerly known as Mercury Antibiotics Pvt Ltd, converted into Mercury Antibiotics LLP w.e.f 16.12.2022)	Lease Rent	42.00	42.00
Mercury Pharma Distributors JAS Healthcare Inc.	Lease Rent	0.24	0.24
	Sales	138.70	178.01
	Advance Recd.Agst Sales	-	69.12
Mercury Marketing & Consulting Services	Consultancy Services	30.00	30.00
Shri Ramanbhai Bapulal Shah Education and Charitable Trust	CSR Contribution	2.93	0.60
Dr. Shrutiben Dilipbhai Shah Education and Charitable Trust	CSR Contribution	5.00	1.20
Friends Society Kaumudiniben R. Shah		0.15	-
	Interest on Deposit	4.00	4.00
	Deposit renewed	-	50.00
R.R. Shah(H.U.F)	Dividend Paid	0.74	0.42
	Interest on Deposit	3.40	3.40
	Deposit renewed	-	42.50
D.R. Shah(H.U.F)	Deposit Paid	-	-
	Dividend Paid	7.32	4.18
	Interest on Deposit	8.00	8.00
Adit D. Shah	Deposit renewed	-	100.00
	Dividend Paid	10.87	6.21
	Interest on Deposit	0.86	0.86
Paresh R Shah	Deposit renewed	-	10.70
	Dividend Paid	-	-
	Dividend Paid	0.54	0.31
Bimal R shah	Dividend Paid	0.83	0.47
Parulben Kiranbhai Laliwala	Dividend Paid	0.49	0.28
Kishoriben D Shah	Dividend Paid	0.43	0.24
Enu Khandelwal	Dividend Paid	0.12	0.07
Kinjal Khandelwal	Salary	-	1.35
Saurabh Mittal	Salary	-	2.37
Ashish Vasavada	Salary	23.11	17.29
Krishna Shah	Salary	12.90	6.47
	Salary	3.31	0.38

(INR in Lakhs)

Related Party Balance Outstanding at the end of the year	Nature of Transaction	Year ended 31.03.2023	Year ended 31.03.2022
Mercury Antibiotics LLP. (Formerly known as Mercury Antibiotics Pvt Ltd, converted into Mercury Antibiotics LLP w.e.f 16.12.2022)	Lease Rent	13.29	23.96
JAS Healthcare Inc.	Advance Recd.Agst Sales	-	69.12
JAS Healthcare Inc.	Receivables	3.56	-
Mercury Pharma Distributors	Lease Rent - Advances	0.26	0.26
Mercury Marketing & Consulting Services	Consultancy Services	13.50	13.60
Kaumudiniben R. Shah	Fixed Deposit (Incl. Interest Payable)	50.00	50.89
R.R. Shah(H.U.F)	Fixed Deposit (Incl. Interest Payable)	42.50	43.25
D.R. Shah(H.U.F)	Fixed Deposit (Incl. Interest Payable)	100.00	101.78
Adit D. Shah	Fixed Deposit (Incl. Interest Payable)	10.70	10.89
Janki R shah	Fixed Deposit (Incl. Interest Payable)	13.88	14.12
Janki R shah-DIRECTOR	Loan from Director (Incl. Interest Payable)	25.00	25.44
Saurabh Mittal	Salary Payable (net)	1.82	0.48
Ashish Vasavada	Salary Payable (net)	0.46	0.65
Krishna Shah	Salary Payable (net)	0.26	0.21
R R Shah	Remuneration Payable	0.88	0.88
Paresh Mistry	Salary Payable (net)	0.78	0.55
Divyakant Zaveri	Professional Fees Payable	0.56	0.56

Note No 49 :
Earnings per share

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (INR in Lakhs)	557.88	356.19
Weighted Average number of equity shares used as denominator for calculating EPS	12,00,000	12,00,000
Basic and Diluted Earnings per share	46.49	29.68
Face Value per equity share	10	10

Note No 50 :
Dues to Micro & Small Enterprises

(INR in Lakhs)

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

Dues to Micro and Small Enterprises	Year ended 31.03.2023	Year ended 31.03.2022
a) The principal amount remaining unpaid to any supplier at the end of the year	74.70	55.24
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of the deductible expenditure under section 23 of the MSMED Act, 2006	-	-
Total	74.70	55.24

Note No 51 :
Other Statutory Information

- i. There are no immovable properties (other than properties where the Company is a lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.
- ii. The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
- iii. The Company has not granted any Loans or Advances in the nature of loans to Promoters, Directors, KMPs and Related Parties either severally or jointly with other persons that are repayable on demand or without specifying any terms or period of repayment.
- iv. The Capital Work-in-Progress ageing schedule for the year ended on March 31, 2023 and March 31, 2022 is as follows:

CWIP	(INR in Lakhs)	
	Year ended 31.03.2023	Year ended 31.03.2022
Less than 1 Year	13.00	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	13.00	-

As on date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

- v. The Company did not have and Intangible Assets under Development as at the end of the year.
- vi. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- vii. The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India."
- viii. The Company had obtained sanction of working capital limits against security of current assets. However these limits were not utilised at any time during the year. Hence, as such there were no actual borrowings against current assets during the year.
- ix. The Company has entered into following transactions with Struck-off Companies :

Name of Struck Off Company	Nature of Transaction	Outstanding Amount (INR in Lakhs)	Relationship
Lemison Laundry Equipment Private Limited	Payables	2.30	NA

- x. There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period or otherwise.
- xi. The Company has not made a direct investment in Joint Venture during the year which does not have any further downstream investment. Hence, it is in compliance with the number of layers prescribed under Section 2 (87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017.
- xii. There was no Scheme of Arrangements during the year.
- xiii. The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xiv. The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xv. The Company does not have any 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 the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- xvi. There are no transactions which are not recorded in books and have been surrendered or disclosed as income during the year in Income Tax Assessments.
- xvii. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note No 52 :

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

Note No 53 :

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

Note No : 54**Segment Reporting:**

The products offered by the Company are in the nature of Bulk Drug Intermediates and its related products, having the same risks and returns, same type and class of customers and regulatory environment. Hence, the Company effectively has a single reportable business segment. Hence, segment-wise disclosure of information is not applicable.

Note No : 55**Impairment of Assets:**

During the previous year, the Company had undertaken an exercise to discard old assets as also to remove certain assets having no value from its Block of Assets. The loss / write-off on this account had been debited to the Profit and Loss Account. In absence of any further indications, external or internal, as to any probable impairment of assets, no further provision has been made for same.

Note No 56 :**Corporate Social Responsibility Expenses**

Particulars	(INR in Lakhs)	
	Year ended 31.03.2023	Year ended 31.03.2022
1. Amount required to be spent by the company during the year	11.50	9.76
2. Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	11.62	9.81
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall	-	-
5. Reason for shortfall	NA	NA
6. Nature of CSR activities	Promoting Education and Healthcare	
7. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard:		
(I) Donation to * Shri Ramanbhai Bapulal Shah Education & Charitable Trust For distribution of scholarship to the students *(A Concern in which Director is Trustee)	2.92	0.30
(ii) Donation to * Shri Shrutiben Dilipbhai Shah Education & Charitable Trust For distribution of scholarship to Medical student *(A Concern in which Director is Trustee)	5.00	1.20

Note No 57 :**Fair Values****A. Classification of Financial Assets and Liabilities:**

Particulars	(INR in Lakhs)			
	Carrying Value as at		Fair Value as at	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Financial assets				
Financial Investments	0.63	0.63	0.63	0.63
Cash and Bank Balances	731.51	693.23	731.51	693.23
Trade Receivables	2,136.53	1,674.49	2,136.53	1,674.49
Other Financial assets	57.38	51.73	57.38	51.73
	-	-	-	-
Financial liabilities				
Trade Payables	563.56	631.31	563.56	631.31
Borrowings (Current)	294.34	265.60	294.34	265.60
Other Financial Liabilities (Current)	335.00	179.35	335.00	179.35

B. Quantitative disclosure of fair value measurement hierarchy as at March 31, 2023:

(INR in Lakhs)

Particulars	Date of Valuation	Fair Value		
		Level 1	Level 2	Level 3
Financial assets				
Financial Investments	March 31, 2023	-	-	0.63
Cash and Bank Balances	March 31, 2023	-	-	731.51
Trade Receivables	March 31, 2023	-	-	2,136.53
Other Financial assets	March 31, 2023	-	-	57.38
Financial liabilities				
Trade Payables	March 31, 2023	-	-	563.56
Borrowings (Current)	March 31, 2023	-	-	294.34
Other Financial Liabilities (Current)	March 31, 2023	-	-	335.00

Quantitative disclosure of fair value measurement hierarchy as at March 31, 2022:

(INR in Lakhs)

Particulars	Date of Valuation	Fair Value		
		Level 1	Level 2	Level 3
Financial assets				
Financial Investments	March 31, 2022	-	-	0.63
Cash and Bank Balances	March 31, 2022	-	-	693.23
Trade Receivables	March 31, 2022	-	-	1,674.49
Other Financial assets	March 31, 2022	-	-	51.73
Financial liabilities				
Trade Payables	March 31, 2022	-	-	631.31
Borrowings (Current)	March 31, 2022	-	-	265.60
Other Financial Liabilities (Current)	March 31, 2022	-	-	179.35

Note No 58 :**Financial risk management objectives and policies**

"The company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an internal part of how to plan and execute its business strategies. The company is exposed to market risk, credit risk and liquidity risk.

The company senior management oversees the management of these risks. The senior Professionals working to manage the financial risks and the appropriate financial risk governance framework for the company are accountable to the Board of Directors and Audit Committee. This process provided assurance the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objectives. In the event of crises caused due to external factors such as caused by recent pandemic "COVID 19" the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors."

1. Risk Management Framework

The Company's board of directors has overall responsibility for establishment and Oversight of the company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the Mechanism of property defined framework. The Company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

2. Credit Risk

"Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The management impact analysis shows credit risk and impact assessment as low.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The company management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Directors of the company. Most of the Company's customers have been transacting with the company for over Five to Ten years against those customers. In monitoring customer credit risk, Customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous

financial difficulties. The company has not written off any amount in recent past for impairment in receivables. In view of the same no provision for impairment is done in current financial year."

3. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 31st March 2023:

Particulars	Carrying Amount	(INR in Lakhs)		
		Upto 1 Year	1-5 Years	More than 5 Years
Borrowings (including current maturities)	536.42	294.34	242.08	-
Trade Payables	563.56	553.66	9.90	-
Lease Liabilities	47.00	42.54	4.46	-
Other Financial Liabilities	335.00	335.00	-	-

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 31st March 2023:

Particulars	Carrying Amount	(INR in Lakhs)		
		Upto 1 Year	1-5 Years	More than 5 Years
Borrowings (including current maturities)	514.14	265.60	248.54	-
Trade Payables	706.01	609.37	96.64	-
Lease Liabilities	84.40	42.54	41.86	-
Other Financial Liabilities	179.35	179.35	-	-

4. Market Risk

"Market risk is the risk that the Fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: Currency rate risk, Interest Risk and equity price risk.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has borrowings, therefore Company is exposed to such risk.

(ii) Foreign Currency Risk

The Indian Rupee is the Company's most significant currency. As a consequence, the Company's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. So, the Company is exposed to such risk.

(iii) Equity Price Risk

The Company's investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the price risk through diversification and by placing limits on individual and total instruments. Reports on the portfolio are submitted to the management on a regular basis."

5. Capital Management

"The Company's capital management objectives are:

- To ensure the Company's ability to continue as going concern
- To provide adequate return to shareholders through optimisation of debt and equity balance

For the purpose of the Company's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and business opportunities. The Company monitors capital structure using a debt equity ratio, which is debt divided by equity."

(INR in Lakhs)

Particulars	Year Ended	
	March 31, 2023	March 31, 2022
Debt	536.42	514.14
Less: Cash and bank balances	370.66	411.13
Adjusted net debt	165.76	103.01
Total equity	4,562.89	4,030.68
Adjusted net debt to total equity ratio	0.04	0.03

Note No 59 :**Components of cash and cash equivalents**

(INR in Lakhs)

Particulars	Year ended	Year ended
	31.03.2023	31.03.2022
Cash and Cash Equivalents at beginning of the year		
Cash on hand and balances with banks	632.27	426.88
Earmarked balances with banks (Margin Money)	60.96	59.73
Total	693.23	486.61
Cash and Cash Equivalents at the end of the year		
Cash on hand and balances with banks	694.28	632.27
Earmarked balances with banks (Margin Money)	37.23	60.96
Total	731.51	693.23

Note No 60 :**Key Financial Ratios**

Ratio	Numerator	Denominator	As at 31.03.2023	As at 31.03.2022	% Variance	Reason for variance
(a) Current ratio	Total Current Assets	Total Current Liabilities	2.54	2.64	-3.83%	
(b) Debt-equity ratio	Short Term Borrowing + Long Term Borrowing	Total Equity	0.12	0.13	-7.84%	
(c) Debt service coverage ratio	Profit Before Interest and Tax	Total Debts Service (Interest + Finance Lease Payment + Principal Repayment)	1.27	1.04	21.89%	
(d) Return on equity ratio	Net Profit after Tax	Total Equity	12.98%	11.00%	18%	
(e) Inventory turnover ratio	Net Sales	Average Inventory	11.01	9.70	13.48%	
(f) Trade receivables turnover ratio	Net Sales	Average Trade Receivables	3.95	2.89	36.80%	Increase in sales coupled with better credit terms, ratio has improved
(g) Trade payables turnover ratio	Net Purchases	Average Trade Payable	4.61	2.71	70.12%	Due to increase in liquidity, vendor liability has been discharged within due date
(h) Net Working capital turnover ratio	Net Sales	Working Capital	3.37	2.59	29.99%	Increased in turnover coupled with timely collection of receivables and also reduction in vendor payment terms has resulted in optimising & controlling working capital requirement
(i) Net profit ratio	Net Profit	Sales	7.41%	6.15%	20.43%	
(j) Return on capital employed	Earning Before Interest and Tax	Capital Employed	15.40%	12.00%	28.36%	Mainly due to increase in Profit for the year
(k) Return on investment	Profit After Tax	Total Assets	8.26%	6.00%	37.59%	Mainly due to increase in Profit for the year

Note No 61 :

"From the current year, the company has presented actuarial gains / losses on Defined Benefit Plans as Other Comprehensive Income

with tax effect thereon. Correspondingly the figures of previous year are recast to make them comparable. The figures in respect of previous year have been re-grouped / recast wherever necessary to confirm to the current year's classification."

For Naresh & Co
Chartered Accountants
FRN: 106928W

CA Abhijeet Dandekar
M. No. 108377
Partner

Place: Vadodara
Date: 05 May, 2023
UDIN: 23108377BGUFPQ4919

For and on behalf of the Board of Directors
Mercury Laboratories Limited

Rajendra R Shah
Managing Director
DIN : 00257253
Place: Vadodara

Ashish Vasavada
Chief Financial Officer
Place: Vadodara

Dated: 05 May, 2023

Dilip R Shah
Director
DIN : 00257242
Place: USA

Krishna Shah
Company Secretary
Place: Vadodara

