



MERCURY LABORATORIES LIMITED

Date: 02/09/2024

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

Scrip Code: 538964

Subject: Submission of the 43rd Annual Report for the year 2023-24 under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

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 43rd AGM for the financial year 2023-24 which is being sent through electronic mode to the Members.

Further, the 43rd AGM of the Company will be held on Friday, September 27, 2024 at 11:30 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

The Annual Report of the Company is also available on the website of the Company at www.mercurylabs.com

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



43RD

**ANNUAL REPORT
2023-24**

WHERE YOUR WELL-BEING MATTERS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rajendra R Shah (DIN:00257253) :	Managing Director
Mr. Dilip R Shah (DIN: 00257242) :	Non-Executive Director
Mr. Divyakant R Zaveri (DIN:01382184):	Independent Non-Executive Director (Upto 25.07.2024) & Chairman (Upto 23.07.2024)
Mr. Bharat D Mehta (DIN:07180906) :	Independent Non-Executive Director (Appointed as Chairman w.e.f 24.07.2024)
Mr. Paresh Mistry (DIN:07893654) :	Non-Executive Director
Ms. Janki R Shah (DIN: 08686344) :	Non-Executive Director
Mr. Jayantilal D Raval(DIN:10662609) :	Independent Non-Executive Director (w.e.f 24.07.2024)

KEY MANAGERIAL PERSONNEL

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

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 : mllbrd@mercurylabs.com.

CORPORATE IDENTIFICATION NO.

: L74239MH1982PLC026341

WEBSITE

: www.mercurylabs.com

E-MAIL

: secretarial@mercurylabs.com / mllbrd@mercurylabs.com

R & T AGENT:

: Link Intime India Private Limited, "Geetakunj", 1,
Bhakti Nagar Society, Behind ABS Tower, Old Padra Road,
Vadodara – 390 015, Gujarat. | Tel: +91 265 3566768
E-mail: vadodara@linkintime.co.in

CORPORATE OFFICE & UNITS

Unit No. 1 & Corporate Office
2/13-14, Gorwa Industrial Estate
Gorwa Road, Vadodara – 390 016
Phone No: 0265-2477952
Email:mllbrd@mercurylabs.com

Unit No. 2

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

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Mercury At A Glance

Mercury Laboratories is a leading pharmaceutical company specializing in the formulation and development of high-quality medicines that address a wide range of therapeutic needs. Established in 1962, our company has built a strong reputation for excellence in pharmaceutical formulation, driven by our commitment to innovation, quality, and patient care. Our company is dedicated to Mother & Child Healthcare.

Quality is at the core of everything we do. Our state-of-the-art manufacturing facilities are equipped with advanced technology and adhere to stringent regulatory standards, including Good Manufacturing Practices (GMP). We are committed to continuous improvement, regularly updating our processes and systems to maintain the highest levels of quality and safety in our products. Innovation is a key driver of our success. At Mercury Laboratories, we are constantly exploring new formulation technologies and delivery systems to enhance the effectiveness and convenience of our medicines.

With a strong presence in both domestic and international markets, Mercury Laboratories has established itself as a trusted partner in the global healthcare industry. Our global reach is supported by a robust distribution network and a deep understanding of diverse regulatory environments. Today we are exporting to over 40 countries across the globe through our two manufacturing units situated in Vadodra.

Our mission at Mercury Laboratories is to improve the quality of life for patients by providing safe, effective, and accessible medicines. We are driven by a deep sense of responsibility to the communities we serve, and we strive to make a positive impact on global health through our work in pharmaceutical formulation.



Managing Directors' Message



Mr. Rajendra Shah
Managing Director

Dear Stakeholders,

At the outset, I hope you and your family are safe. It is with immense pride and gratitude to present the 43rd Annual Report of the Company. This year, our financial performance remained stable despite of numerous challenges we faced. Our steady revenue reflecting our ability to maintain our market position in a competitive landscape. Although growth was modest, our focus on operational efficiency and cost management helped us negative the headwinds and preserve shareholder value.

None of our achievements would have been possible without the dedication and talent of our employees. We have fostered a culture of innovation, inclusivity, and continuous learning, which has been the driving force behind our success. In 2024, we introduced several employee development programs, including leadership training and wellness initiatives, to ensure that our people are equipped to excel in their roles and contribute to our collective goals.

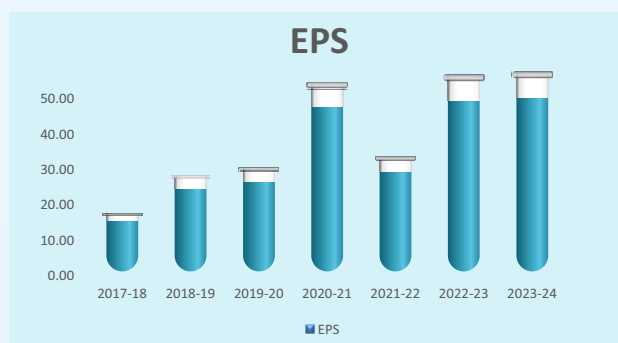
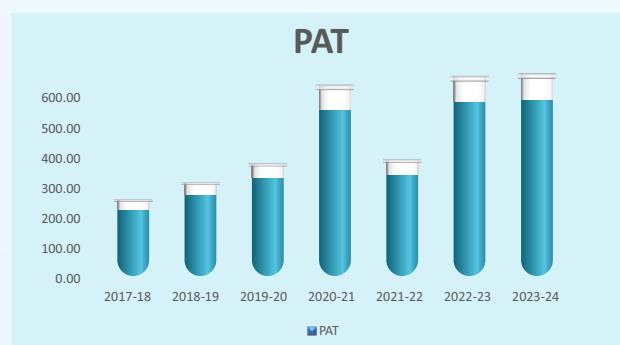
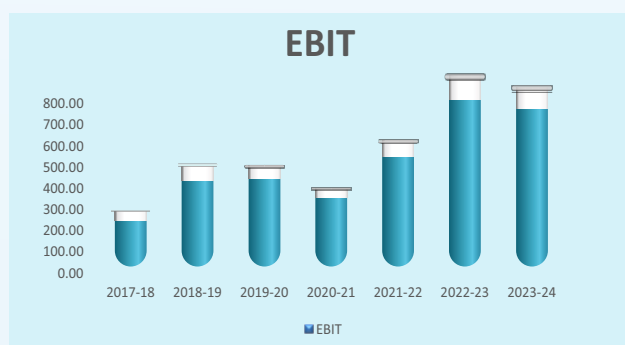
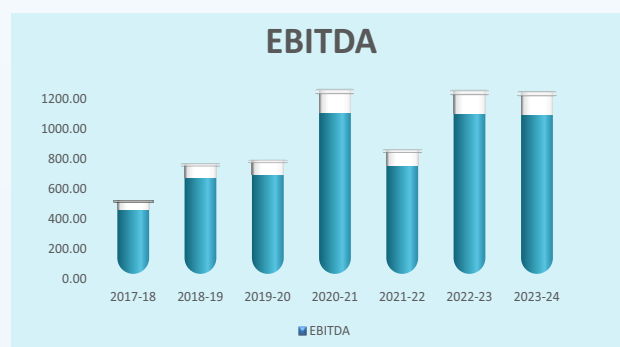
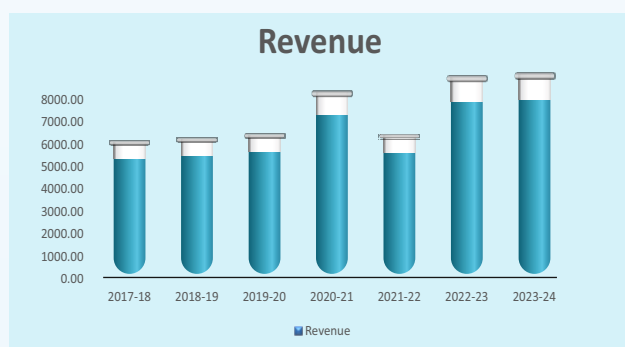
As we look to the future, we remain steadfast in our mission to improve the quality of life for patients around the world through innovative and accessible healthcare solutions. The road ahead will undoubtedly present challenges, but I am confident that with our strategic vision, strong leadership, and the unwavering support of our stakeholders, we will continue to thrive and make a meaningful impact on global health. We remain focused on driving long-term growth and value creation for our shareholders. We will continue to invest in innovation, explore strategic partnerships, and expand our global footprint. Our aim is to not only enhance our financial performance but also to make a lasting positive impact on the health and well-being of people worldwide.

In closing, I would like to extend my deepest gratitude to our shareholders for their continued trust and confidence in Mercury Laboratories. I also want to thank our employees for their relentless dedication and our partners and customers for their invaluable support. Together, we are shaping the future of healthcare.

Financial Highlight's

(₹ in Lakhs)

References	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue	5240.46	5552.10	5726.91	6860.15	5792.38	7533.37	7,555.90
EBITDA	483.73	676.64	701.54	1047.10	780.61	1028.98	1011.88
EBIT	245.59	405.05	432.90	790.89	535.33	780.65	730.33
PAT	201.33	283.61	322.81	533.75	356.19	557.88	565.42
EPS	16.78	23.63	26.90	44.48	29.68	46.49	47.12



Board of Directors



Mr. Rajendra Shah
Managing Director



Mr. Dilip Shah
Non-Executive Director



Mr. Divyakant Zaveri
Independent Director
(Upto 25.07.2024)



Mr. Bharat Mehta
Independent Director



Ms. Janki Shah
Non-Executive Director



Mr. Paresh Mistry
Non-Executive Director



Mr. Jayantilal Raval
Additional Independent Director
(w.e.f 24.07.2024, Chairmanship &
Membership in committees w.e.f 25.07.2024)



● 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-Third (43rd) Annual General Meeting (AGM) of the Members of **Mercury Laboratories Limited** ("the Company") will be held on **Friday, September 27, 2024 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, 2024 including Balance Sheet as on March 31, 2024, the Statement of Profit and Loss Account and Cash Flow Statement for the Financial Year ended March 31, 2024 together with the Reports of the Board of Directors and the Auditors thereon.**

"RESOLVED THAT the Financial Statements of the Company for the financial year ended on March 31, 2024 including Balance sheet as on March 31, 2024 and Statement of Profit and Loss Accounts for the year ended on March 31, 2024 along with Cash Flow Statements and Report of the Directors and Auditors thereon of the Company for the financial year ended on March 31, 2024 be received, approved And adopted."

2. **To declare a dividend of ₹ 3.50/- per equity share of ₹ 10/- each for the Financial Year ended March 31, 2024**

"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 ₹ 3.5/- per equity share of ₹ 10 each for the financial year ended on March 31, 2024 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. Paresh J Mistry (DIN: 07893654), Non-Executive Non-Independent Director who retires by rotation and being eligible, offers himself for re-appointment.**

"RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force], Mr. Paresh J Mistry (DIN: 07893654) Non-Executive Non-Independent Director who retires by rotation at this ensuing Annual General Meeting of the Company, and being eligible, seeks re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation, on such remuneration as may be recommended by the Board of Directors from time to time which shall be within the maximum limits as approved by the shareholders of the Company."

Special Businesses:

4. **Payment of Remuneration to Ms. Janki R Shah, (DIN: 08686344) Non- Executive Director 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)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory Modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force], approval of the Company be accorded for payment of remuneration to Ms. Janki R Shah, (DIN: 08686344) as the Non-Executive Director of the Company, for the Financial Year 2024-25, as approved by the Members at the Forty Second Annual General Meeting held on September 27, 2023, being an amount exceeding fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the Company for the Financial Year 2024-25.

RESOLVED FURTHER THAT approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

5. Revision in Managerial Remuneration of Mr. Rajendra R Shah (DIN: 00257253), Managing Director of the company w.e.f October 01, 2024

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

“RESOLVED THAT in continuation of the resolution passed by the members at Forty First Annual General Meeting of the Company held on September 27, 2022 for the Re-appointment of Mr. Rajendra R Shah (DIN: 00257253) as a Managing Director of the Company with effect from April 01, 2023 to March 31, 2026 on the terms and conditions of remuneration mentioned therein and pursuant to the provisions of sections 196, 197 and 198 read with Schedule V and all other provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] pursuant to recommendation by the Nomination and Remuneration Committee, subject to applicable clauses of the Articles of Association of the Company and subject to such other approvals, permissions, consents, sanctions and permissions from appropriate authority(ies) as may be required, the approval of the members of the Company be and is hereby accorded the revision in the terms of remuneration of Mr. Rajendra R Shah (DIN: 00257253) by increasing the scale of salary upto ₹ 3 lakhs per month (increment at such time, as may be decided by Nomination and Remuneration Committee and the Board of Directors) from ₹ 1 lakh per month with effect from October 01, 2024 upto the remainder period of the tenure of his appointment i.e. March 31, 2026.

RESOLVED FURTHER THAT except for the revision in the scale of basic salary, all other terms and conditions of appointment and remuneration, as approved earlier by the Members, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits, Mr. Rajendra R Shah shall be entitled to above stated remuneration subject to the necessary approval, if any, required. In the event of Non-approval/ pending approval of remuneration, Mr. Rajendra R Shah shall be entitled to remuneration as per the slab stipulated in Section II of Part II of Schedule V to the Companies Act, 2013 and the Board of Directors be and are hereby authorized to take such steps as may be necessary, expedient or desirable to give effect to this resolution and alter, vary any of the terms and conditions relating to remuneration payable to Mr. Rajendra R Shah including increase in remuneration within the limit of remuneration prescribed in Section II of Part II of Schedule V to the Companies Act, 2013.

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

6. Appointment of Mr. Jayantilal Raval (DIN: 10662609) as an Independent 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 Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) [including any statutory Modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] and pursuant to recommendation of the Nomination and Remuneration Committee, Mr. Jayantilal Raval (DIN:10662609), who was appointed as an Additional Director of the Company in the category of Independent Director with effect from July 24, 2024 and who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a term of 5 (five) consecutive years with effect from July 24, 2024 up-to July 23, 2029 whose period of office shall not be liable to determination by retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary be and is hereby severally authorized to do all such acts, deeds, matters and things including filings and take such steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”

7. Ratification of Remuneration payable to the Cost Auditor of the Company for Financial Year 2024-25

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 amendment(s) thereto 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, 2025 amounting to ₹ 43,000 (Rupees Forty Three Thousand Only) plus applicable taxes if any and re-imburement 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.”

8 Acceptance/Renewal of Deposit from Members under Section 73 of the Companies Act, 2013

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

“RESOLVED THAT pursuant to provisions of Sections 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and the other applicable provisions, if any [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force], subject to applicable clauses of the Articles of Association of the Company, subject to such conditions, approvals and permissions as may be necessary, the approval of the members of the Company, be and is hereby given to invite and accept/renew unsecured Deposits from Members upto an amount ₹ 5 Cr., Being 9.84 % aggregate of paid up share capital, free reserves and securities premium account as per the latest audited balance sheet of the company on the terms and conditions in accordance with applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to finalize the scheme for invitation and acceptance of fixed deposits from the Members and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

Date: July 24, 2024
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 8, of this notice, is annexed hereto.
- 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 or appointment at this AGM is annexed.
- c. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, September 21, 2024 to Friday, September 27, 2024 (both days inclusive), in connection with AGM and for the purpose of determining the names of members eligible for dividend on equity shares, if 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 Intime India Private Limited
Unit: Mercury Laboratories Limited
Geetakunj, 1, Bhakti Nagar Society,
Behind ABS Tower, Old Padra Road,
Vadodara, Gujarat – 390 015
Tel No.: +91 265 3566768
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.: +91 810 811 6767

- 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.
 - i. **For Shares held in electronic form:** to their Depository Participants (Dps)
 - ii. **For Shares held in physical form:** to the Registrar and Transfer Agent in the prescribed form from ISR 1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRDS/MIRDS_RTAMB/CIR/2021/655 dated November 03, 2021 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 <https://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/> 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 <https://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) Pursuant to the General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 19/2021 dated 8th December, 2021, 21/2021 dated 14th December, 2021, 02/2022 dated 5th May, 2022, 10/2022 dated 28th December, 2022 and 09/2023 dated 25th September, 2023 issued by the Ministry of Corporate Affairs (“MCA”) and SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July, 2023 and Circular No. SEBI/HO/CFD/CFD/-PoD-2/P/CIR/2023/167 dated 7th October, 2023 issued by Securities and Exchange Board of India (“SEBI”) (hereinafter collectively referred to as the “Circulars”), companies are allowed to hold the Annual General Meeting (“AGM”) through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company will be held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
- 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) In accordance with the aforesaid MCA Circulars and 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, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by Securities Exchange Board of India (collectively referred to as “SEBI Circulars”), the Notice of the AGM along with the Integrated Annual Report for FY 2023-24 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”), collectively “Depositories” and will also be available on the Company’s website <https://investor.mercurylabs.com/> ; websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and on the website of National Securities Depository Limited (agency for providing the Remote e-Voting facility) i.e. at www.evoting.nsdl.com. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
- 5) **For receiving all communications (including Annual Report) from the Company electronically:**
 - i) Members holding shares in physical mode and who have not registered / updated their PAN, email address and mobile number with the Company are requested to register / update the same by providing the duly completed Form ISR-1 as stated in point (e) of the Notes.
 - ii) Members holding shares in dematerialized mode are requested to register / update their email address and mobile number with the respective Depository Participant(s).

In case any Member is desirous of obtaining a hard copy of the Annual Report of the Company for the financial Year 2023-24, he / she may send a request to the Company’s e-mail address – secretarial@mercurylabs.com mentioning Folio No./DP ID and Client ID

- 6) 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.

- 7) SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal (“ODR Portal”) for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company’s website <https://investor.mercurylabs.com/investor-contact/>

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

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

- 1) **The remote e-voting period begins on Monday, September 23, 2024 at 9:00 A.M. (IST) and ends on Thursday, September 26, 2024 at 5:00 P.M. (IST) 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. Friday, September 20, 2024 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 Friday, September 20, 2024. Any person who acquires shares of the Company and becomes member of the Company after dispatch of this Notice and holding shares as on September 20, 2024 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 Thursday, September 26, 2024 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.	<p>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nSDL.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed 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> <p>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</p> <p>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 sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <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>
Individual Shareholders holding securities in demat mode with NSDL.	<p>1. 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.</p> <p>2. 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.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. 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>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
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.: 022 4886 7000 and 022 2499 7000.
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 : 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting 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.nsd.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. to the Scrutinizer by e-mail to Scrutinizer@dholakia-associates.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on www.evoting.nsd.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on toll free no.: 022 4886 7000 and 022 2499 7000 or send a request to Ms. Prajakta Pawle at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to (secretarial@mercurylabs.com).

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (Secretarial@mercurylabs.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting Facility.

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

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

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

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

Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (Secretarial@mercurylabs.com). The same will be replied by the company suitably. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request from their registered email address to secretarial@mercurylabs.com between Monday, September 16, 2024 (from 9:00 a.m. IST) to Monday, September 23, 2024 (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 declared at the AGM, will be paid to those members whose name would appear in the Register of Members of the Company as on Friday, September 20, 2024.
- The dividend for the financial year ended March 31, 2024, as recommended by the Board of Directors of the Company, if declared at the Annual General Meeting, will be paid to the Members on or before October 26, 2024 as under

- i) To all Beneficial Owners in respect of shares in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Friday, September 20, 2024
 - ii) To all Members in respect of shares held in physical form as per the Register of Members, as may be made available by the Company's Registrar and Transfer Agent, as of the close of business hours on Friday, September 20, 2024.
- 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 de-materialized, 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.
 - As per SEBI Directive, dividend to shareholders holding shares in physical form shall be paid through electronic mode only with effect from April 1, 2024. Such payment shall be made only upon furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature by the said shareholders. Formats of forms ISR-1, ISR-2 and SH-13 for furnishing the above mentioned details are available on <https://investor.mercurylabs.com/miscellaneous-shareholder-details/> The relevant FAQs published by SEBI on its website can be viewed at the following link: https://www.sebi.gov.in/sebi_data/Faqfiles/jan-2024/1704433843359.pdf
 - 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 Company has also uploaded details of such Members whose shares are transferred to IEPF Account and details of unpaid dividend on its website at <https://investor.mercurylabs.com/details-of-shares-to-iepf/>

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
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
27-09-2023	2022-23	December, 2030

During the year, the Company has transferred 1100 equity shares) of 7 members whose dividend has remained unclaimed / unpaid for a consecutive period of 7 (seven) years to the demat account of IEPF and credited unclaimed dividend of ₹ 1,33,583 to the Investor Education and Protection Fund (IEPF) pursuant to Section 125(1) of the Act, pertaining to FY 2015-16.

- 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.

Pursuant to Schedule V and VI to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, details of unclaimed shares outstanding in the Company's Suspense Escrow Demat Account as on March 31, 2024 are as follows:

Particulars	No of Shares
Shares lying in SEDA as on April 01, 2023	-
Shares transferred to SEDA during FY 2023-24	-
Shares lying in SEDA as on March 31, 2024	-

TAX DEDUCTED AT SOURCE ON DIVIDEND

Pursuant to the provisions of the Income Tax Act, 1961, the Company is required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. No tax will be deducted on payment of dividend to the resident individual shareholders if the total aggregate dividend paid during the year ending March 31, 2025 does not exceed ₹ 5,000/-.

The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company / Linkintime / Depository Participant.

Given below are the details of withholding tax rate as per the residency status of the shareholders and list of documents required to be submitted for the same

Resident member

A Resident individual member with PAN and who is not liable to pay income tax can submit a yearly declaration in Form 15G (applicable to individual) / Form 15H (applicable to an individual above the age of 60 years), 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, 2024**.

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, 2024**.

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.
- 5. 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
- 6. 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".
- 7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice and Explanatory Statement thereto will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to Secretarial@mercurylabs.com
- 8. 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, 2024 ("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.
- 9. Mr. Nrupang Dholakia of Dholakia & Associates LLP., Company Secretaries (Membership No.: F10032) and in his absence Ms. Michelle Martin, of Dholakia & Associates LLP 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.
- 10. 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.
- 11. 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) working days from the conclusion of the AGM, prepare and present a scrutinizer report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing.
- 12. 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: July 24, 2024
Place: Vadodara

**By order of Board of Directors of
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: 022-66732841 Email: mllbrd@mercurylabs.com, Website: www.mercurylabs.com
Corporate Office	:	2/13-14, Gorwa Industrial Estate, Gorwa Road, Vadodara – 390 016 Email ID:secretarial@mercurylabs.com Phone: + 91 265 – 2477952
Registrar & Transfer Agent	:	Link Intime India Private Limited Geetakunj, 1, Bhakti Nagar Society, Behind ABS Tower, Old Padra Road, Vadodara, Gujarat-39001 Email Id: Vadodara@linkintime.co.in Phone: + 91 265 - 3566768
Scrutinizer	:	Dholakia & Associates LLP, Company Secretaries Email ID: nrupang@dholakia-associates.comn

ANNEXURE TO NOTICE**I. EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****ITEM NO.04**

Ms. Janki R Shah aged 42 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. As Non-Executive Director, Ms. Janki R Shah involved into the areas of Strategic Planning, Risk Mitigation and External Interface. She continues to play an important role in epitomising and building Brand of Mercury Laboratories Limited.

Further Pursuant to the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), approval of the Members of the Company by way of a Special Resolution is required to be obtained every year for payment of Annual Remuneration to a single Non-Executive Director exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors, giving details of remuneration thereof.

As the remuneration payable to Ms. Janki R Shah in the Financial Year 2024-25 (in accordance with the approval accorded by the Members at the Forty Second Annual General Meeting) is likely to exceed fifty percent of the total annual remuneration payable to all Non-Executive Directors of the Company, consent of the Members is sought for passing a Special Resolution as set out at Item No. 4 of the Notice. The said remuneration to Non-Executive Directors shall be in addition to the sitting fee and re-imbursment of expenses payable to them.

Brief Profile of Ms. Janki R Shah:

Ms. Janki R Shah has done Master of Science in Pharmacology from St. Johns University, School of Pharmacy New York. She has rich experience of working in this field for more than 14 years. She has rich experience and expertise in areas of Production Management, Marketing, Human resources, Business Management and Strategic Planning.

She does not hold directorship in any other Company. She is Member of Nomination Remuneration Committee

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.

Your Board, therefore, recommends passing of the Special Resolution as set forth in Item No. 04 of this Notice

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, Human Resources, Business Management and Strategic Planning etc. Given the profile of Ms. Janki R Shah, it is imperative that Company avail his services as director also.
e.	Remuneration proposed	As approved by the members at 42 nd AGM of the Company
f.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The Remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in health care companies, companies engaged in multiple business, of comparable size and has been considered by the nomination and remuneration committee and the board of directors of the company in their respective meeting held on August 05, 2023
g.	Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any or other Director.	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.

ITEM NO 05

Mr. Rajendra R shah has been associated with the Company since its inception, he is founder Director of the Company and at the Forty First Annual General Meeting ("AGM") of the Company held on September 27, 2022 had been re-appointed as a Managing Director of the Company for a period of 3 (three) years commencing from April 01, 2023 to March 31, 2026.

Mr. Rajendra R Shah holds a degree of B. Pharm from the Gujarat University of Ahmedabad and possess extensive experience of more than four decades in overall management more particularly in the fields of production, Quality, control, Material Management, Marketing and overall administration of the Company. Mr. Rajendra R Shah is Promoter Director of the Company and has been serving as a Director of the Company since its inception. He has been actively involved in operations of the Company and has rich and varied experience of over 47 years.

Considering of the valuable services provided by Mr. Rajendra R Shah and with a recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has, in its meeting held on July 24, 2024, Unanimously recommended the revision in remuneration by increasing salary of Mr. Rajendra R Shah, Managing Director of the Company not to exceed ₹ 3 lakhs per month with effect from October 01, 2024 upto the remainder period of the tenure of his appointment i.e. March 31, 2026.

Your Board, therefore, recommends passing of the Special Resolution as set forth in Item No. 05 of this Notice.

INFORMATION ABOUT THE APPOINTEE:

a.	The background details	The Background details of Mr. Rajendra R shah are given elsewhere in the notice
b.	Past Remuneration	Mr. Rajendra R Shah drew remuneration of ₹ 18.86 Lakhs per annum.
c.	Recognition or awards	Nil
d.	Job profile and its suitability	Mr. Rajendra R shah has been associated with the Company since its inception, he is founder Director of the Company. He has been actively involved in operations of the Company and has rich and varied experience of over 47 years. Mr. Rajendra R shah provides leadership and strategic guidance to the Company in addition to supervising functional-heads of marketing, finance accounts, regulatory compliance etc including overall management & administration of the company. Given the profile of Mr. Rajendra R Shah, it is imperative that he is appointed as Managing Director
e.	Remuneration proposed	As provided in resolution mentioned herein above
f.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The Remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in health care companies, companies engaged in multiple business, of comparable size and has been considered by the nomination and remuneration committee and the board of directors of the company in their respective meeting held on July 24, 2024

g.	Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any or other Director.	Mr. Dilip R Shah (Non-Executive Director) is brother and Ms. Janki Shah (Non-Executive Director) is Daughter of Mr. Rajendra R Shah (Managing Director), there is no other pecuniary relationship directly or indirectly with the company except to the extent of their remuneration and shareholding in the company. This information is already disclosed elsewhere in the notice
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The details as required to be given under Schedule V of the Act (General Information including other information) for the Item no 4 & 5 is as under:

GENERAL INFORMATION

S. No	Information sought	Information		
i.	Nature of Industry	The Company is engaged Pharmaceutical Business, Manufacturing, Exporting, Selling and Otherwise dealing in all kinds of pharm aceutical drugs, medicines, etc.		
ii.	Date of Commencement of Commercial Production	The Company has started its operations from February 12, 1982.		
iii.	Financial performance of the Company	(₹ in Lakhs)		
		Particulars	2023-24	2022-23
		Revenue from Operations	7,555.90	7533.37
		Profit/(Loss) before Tax	692.03	744.46
		Profit/(Loss) After Tax	565.42	557.88
		Paid-up Equity share Capital	120	120
		Reserves & Surplus	4,963.85	4,442.89
	Earnings per Share (₹ in Actual)	47.12	46.49	
iv.	Export performance and net foreign exchange collaboration	The Company's export was ₹ 1,871.09 Lakhs for 2023-24 and ₹ 1907.67 Lakhs for 2022-23.		
v.	Foreign investments or collaborations	NIL		
Other Information:				
i.	Reasons for loss or Inadequacy of profits	Highly competitive market and aggressive pricing by domestic and International Companies		
ii.	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.		
iii.	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 and also taking other strategic initiatives includes, skill/competency management along with talent retention schemes to improve the profits for the organization, by improving productivity, and structural costs to be aligned to the focus area of growth. 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 06

Based on the recommendation of the Nomination and Remuneration Committee, and approval of Board of Directors of the Company at their respective meetings held on July 24, 2024 Mr. Jayantilal Raval (DIN:10662609) has been appointed as an Additional Director in the category of Independent Director on the Board of the Company to hold office for a term of 5 (Five) consecutive years with effect from July 24, 2024 and he shall not be liable to retire by rotation.

Mr. Jayantilal Raval is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received the consent and requisite declarations from Mr. Jayantilal Raval as per the provisions of the Act and SEBI Listing Regulations including the declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations. Further, he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or



Any other authority. Draft letter of appointment of Mr. Jayantilal Raval setting out the terms and conditions of appointment is being made available for inspection by the members of the Company. Additional information in respect of Mr. Jayantilal Raval pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at end of this Notice.

Except Mr. Jayantilal Raval and his relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolution.

Your Board, therefore, recommends passing of the Special Resolution as set forth in Item No. 06 of this Notice.

Brief Profile of Mr. Jayantilal Raval

Mr. Jayantilal Raval aged about 70 years, has over 44 years of experience in Sales & HRD/HRM, Talent Management & Employee Engagement in Pharmaceutical Industry. He was working as an Area Manager in Novartis India Ltd. He managed large sales teams across various geographies in India for more than 30 years and provided consultancy service to Corona Remedies Pvt. Ltd for more than 14 years. Mr. J D Raval holds a Bachelor degree in Science with specialization in chemistry from Gujarat University

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 2024-25 at a remuneration of ₹ 43,000/ annually plus applicable taxes if any and re-imbursalment 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.

ITEM NO 08

Keeping in view of fund requirements, the company may accept deposits from members as per the provisions of section 73 of the Act and as per the provisions of Companies (Acceptance of Deposits) Rules, 2014.

For the acceptance of deposits, a special resolution is to be passed by shareholders for authorizing the board of directors to accept/renew the unsecured deposits from members up to a maximum amount of ₹ 5 Cr., being 9.84 % aggregate of paid up share capital, free reserves and securities premium account as per the latest audited balance sheet of the company.

CRISIL Ratings Limited has reaffirmed CRISIL BB+/Stable rating to the Fixed Deposit Programme, which indicates stable regarding timely servicing of financial obligations.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Date: July 24, 2024
Place: Vadodara

By order of Board of Directors of
Mercury Laboratories Limited

Krishna Shah
Company Secretary

DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2).

Name of the Director	Mr. Rajendra R Shah (DIN: 00257253) Managing Director	Ms. Janki R Shah (DIN: 08686344) Non- Executive Director	Mr. Paresh J Mistry (DIN: 07893654) Non- Executive Director	Mr. Jayantilal Raval (DIN:10662609) Independent director
Date of Birth	March 02, 1952	November 21, 1982	July 20, 1969	September 20, 1953
Age	72	42	55	71
Qualification	B. Pharm	Master of Science in Pharmacology	B.com & Master of Business Administration	Bachelor of Science with specialization in chemistry
Experience in Specific functional area	Overall Business Management	Exports & Administrative	Industrial Purchase and Material Management, & Export business administration	In Sales & HRD/HRM, Talent Management & Employee Engagement
Date of Appointment	February 16, 1982	February 05, 2020	October 01,2017	July 24, 2024
List of Companies in which outside directorship held as on March 31, 2024	Nil	Nil	Nil	Nil
Listed entities from which she has resigned in the past 3 (three) years	Nil	Nil	Nil	Nil
Chairmanship / Membership of Committees of other Board	Chairman of Corporate Social Responsibility Committee	Member of Nomination Remuneration	Chairman of Stakeholder Relationship Committee & Member of Audit Committee	Chairman of Nomination Remuneration Committee & Member of Audit Committee, Corporate Social Responsibility Committee & Stakeholder Relationship Committee
Relationship with other Directors, Manager and other Key Managerial Personnel	Brother of Mr. Dilip R Shah (Non - Executive Director) Father of Ms. Janki R Shah(Non-Executive Director)	Daughter of Mr Rajendra R Shah (Managing Director) Mr. Dilip R Shah is her uncle	None	None
Terms and Conditions of appointment / re-appointment including Details of Remuneration sought to be paid	Mr. Rajendra R Shah re-appointed as a Managing Director of the Company for a period of three (3) years effective April 01, 2023, not liable to retire by rotation. Remuneration shall be as determined by the Nomination and Remuneration Committee, the Board from time to time. Current proposed remuneration given in the explanatory statement of Item No. 5 of this Notice	Ms. Janki Shah shall be appointed as a Non-Executive, Non Independent Director, liable to retire by rotation. As a Non-Executive Non Independent Director, she will be entitled to get remuneration as approved by the members, sitting fees and reimbursement of expenses for attending the meetings of the Board and Committees.	Mr. Paresh Mistry shall be appointed as a Non-Executive, Non Independent Director, liable to retire by rotation. As a Non-Executive Non Independent Director, he will be entitled to get remuneration as approved by the members, sitting fees and reimbursement of expenses for attending the meetings of the Board and Committees.	Mr. Jayantilal Raval shall be appointed as a Non-Executive Independent Director, not liable to retire by rotation. As a Non-Executive Independent Director, he will be entitled to sitting fees and reimbursement of expenses for attending the meetings of the Board and Committees.
No. of Shares held	85,650	1,04,000	-	-

For other details such as number of meetings of the Board attended during the FY 2023-24 and remuneration last drawn in respect of the above Director, please refer to the Corporate Governance Report, which is a part of this Integrated Annual Report.

BOARD'S REPORT

To,
The Members,
Mercury Laboratories Limited

Your Directors have pleasure in presenting the 43rd 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, 2024.

1. FINANCIAL SUMMARY/PERFORMANCE OF THE COMPANY

The financial performance of the Company for the financial year ended March 31, 2024 along with figures of previous financial year is summarized below:

Particulars	₹ in Lakhs)	
	2023-24	2022-23
Revenue from Operations	7,555.90	7,533.37
Gross Profit before Depreciation Interest & Tax	1,011.88	1,028.98
Less: Interest	38.30	36.19
Less: Depreciation	281.55	248.33
Profit before Exceptional Items , Extra Ordinary Items & Tax	692.03	744.46
Exceptional Items	-	-
Extra-Ordinary Item	-	-
Profit before Tax	692.03	744.46
Less: Current Tax including Income Tax of Previous Year & Deferred Tax	126.61	186.58
Profit of the year	565.42	557.88
Add: Balance brought forward from the previous year	419.71	253.83
Less: Dividend paid for the previous year	(42.00)	(42.00)
Less: Transfer to General Reserve	(350.00)	(350.00)
Balance to be carried forward	593.13	419.71
*Earning Per Share		
Basic	47.12	46.49
Diluted	47.12	46.49

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

2. Dividend:

Your Directors have recommended Final Dividend of ₹ 3.5/- (i.e. 35%) per Equity Share of ₹ 10 each for the financial year ended on March 31, 2024. The said dividend, if approved by the shareholders, would involve a cash outflow of ₹ 42.00 Lakhs. 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 <https://investor.mercury labs.com/wp-content/uploads/2022/03/DIVIDEND-DISTRIBUTION-POICY-2.pdf>

3. Transfer to Reserves:

Your Company transferred an amount of ₹ 350.00 Lakhs to the General Reserve during the Financial Year ended on March 31, 2024.

4. Financial Performance and Operations Review:

During the year ended on March 31, 2024 your company registered ₹ 7,555.90 Lakhs revenue from operations compared to ₹ 7,533.37 Lakhs in the previous year. Revenue from domestic business increased by 2.40%. Profit before tax is decreased by 7.57% to ₹ 692.03 Lakhs from ₹ 744.46 Lakhs. Net profit after tax (before OCI) increased by 1.33% as compared to previous year. The Company registered a net profit after tax (before OCI) of ₹ 565.42 Lakhs as compared to net profit of ₹ 557.88 Lakhs for the previous year ended March 31, 2023.

5. Future Prospects:

India has become the fifth largest economy in the world, overtaking UK in September 2022, by moving up from 11th position in 2014. “I say with confidence that India will become the third largest economy in the world in next five years”, says our Hon’ble Prime Minister, Shri. Narendra Modi.

The Hon’ble Finance Minister, Smt. Nirmala Sitaraman states while presenting the Interim Budget-2024, “India will be a developed economy by 2047” and proposes to make major provisions for innovation in the Budget of July 2024. Our Hon’ble Minister of Commerce & Industry, Shri.Piyush Goyal says India becoming a USD 5 trillion economy is round the corner.

Our Indian Pharma Industry Association, is also poised for providing logistic support for quality growth and capital-intensive investment in coming years, as is evident. Our industry is poised for substantial growth in the coming decade by providing abundant opportunities for companies of various sizes and capabilities. The current value at USD 50 billion, the industry is roughly divided equally by export revenue and domestic revenue. The projections suggest that it is set to achieve a compound annual growth rate (CAGR) of 10% until 2047, reaching a staggering USD 500 billion industry. Over the next 5-10 years, we have the objective of achieving USD 73 billion and USD 120 billion respectively.

Our success can be attributed to various factors, including a large pool of skilled professionals, cost-effective manufacturing capabilities, and a robust regulatory frame work. The Contract Development and Manufacturing Organizations (CDMOs) and The Contract Manufacturing Organizations (CMOs) can play a pivotal role in supporting and sustaining India’s position in the global pharmaceutical landscape. According to Mordor intelligence, The India CMO market size is estimated at USD 22.5 billion in 2024, and is expected to reach USD 50 billion by 2030, growing at a CAGR of 14.67%.

India's strategic geographical location provides an advantage for international logistics. The country's proximity to key markets, coupled with well-developed transportation infrastructure, ensures efficient and timely delivery of pharmaceutical products.

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

The government of India introduced administrative and effective implementation of Revised Schedule-M equivalent to international regulatory standard. The government also re-organized Regulatory education infrastructure by creating national pharmaceutical of India by replacing Pharmacy Council of India. The aim and objective is to improve smart learning to achieve smart quality products from time to time. Government also strengthen regulatory department, distribution department, storage conditions etc. All these activities will resultant into good quality products at affordable price available to common people in next near future. The act of this will enhance trust and enhance quality of the product, integrity and level of confidence in our industry.

b) Outlook, Risks and Concerns

The global growth is projected to 3% for the year 2023-24, however the current scenario, geo political situation war between Israel and Gaza, war situation with Ukraine & Russia, China & Taiwan, leads to disruptions in the global supply chain affecting availability of raw materials and components necessary for drug manufacturing. This may likely to generate short supply of medicines. These geo political conflicts can leads to volatile currency fluctuations.

As stated earlier, we expect Health requirement India will increase number of folds and in particular it will grow life style diseases like Cardiac, Hypertension and Geriatric. Our industry will become ever Sun Rise industry by 2047 in respect of Healthcare.

c) Economic overview & Global pharma landscape

Amid a challenging global economic landscape and deteriorating geopolitical conditions, India continues to shine as a bright spot. It is the fifth-largest economy in the world and is poised to retain its position as the world's fastest-growing major economy. Its GDP growth remained buoyant at 7.3% in FY 2023-24 as against 7.2% in FY.

The Global economy is expected to experience moderate growth in FY 2023-24. The IMF projects global GDP growth to stabilize around 2.9 % in 2023, with slight improvements in 2024. This growth is uneven across regions, with emerging markets and developing economies outpacing advanced economies. Inflation remains a concern, particularly in advanced economies. Central banks are expected to maintain tight monetary policies to control inflation, which could affect economic activity and consumer spending, including healthcare.

Healthcare spending continues to rise globally, driven by aging populations, the increasing prevalence of chronic diseases, and the aftermath of the COVID-19 pandemic. Governments and private sectors are prioritizing investments in healthcare infrastructure, which bodes well for pharmaceutical sector.

d) Financial Performance and Operation Review

During Financial Year 2023-24, revenue of the Company was ₹ 7,555.90 Lakhs as compared to ₹ 7,533.37 Lakhs for the previous year ended March 31, 2023 (Increase in revenue by 0.30% from the previous year). The Company registered a net profit (before OCI) of ₹ 565.42 Lakhs as compared to net profit of ₹ 557.88 Lakhs for the previous year ended March 31, 2023. Return on Net Worth has been decreased to 11.12% from 12.98% mainly due to no increase in sales.

₹ in Lakhs

Break-up of Sales	2023-24	2022-23	Growth / (Degrowth) In terms of %
Domestic	4,709.07	4,595.98	2.40 %
Deemed Exports	975.74	1,029.72	(5.53)%
Direct Exports	1,871.09	1,907.67	(1.95)%
Total	7,555.90	7,533.37	

Details of significant changes in key Financial ratios given at Note No. 62 of the Notes to financial statements.

e) 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.

f) Human Resources

The Company values its employees as the most important asset and integral to its growth and competitive position. We promote a conducive, productive and harmonious work environment. We also motivate employees with recognition and rewards and support them through various training programs to enhance their skills and competencies. The company has built a competent team to handle challenging assignments. The Company's employee strength stood at 482 as on March 31, 2024.

g) 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, geo 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 and foreign currency borrowings. 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.

h) Formulation and Developments

The Company always works on quality and cost reduction by developing in house and re-engineering formulations. Company always consider Formulation and Development as crucial for sustain growth of the Company and tries to introduce newer and newer delivery systems for products available with regard to time by enhancing therapeutic values. To achieve this objective, we have experienced and qualified pharmacists whose activity is to maintain and find out newer and newer delivery system. This will help to the company to maintain its material consumption ratio.

l) Cautionary Statement

Certain statements in the above Report may be forward looking and are stated as required by the legislations in force. The actual results may be affected by many factors that may be different from what is envisaged in terms of future performance and the outlook presented above.

6. Directors' Responsibility Statement

As required by Section 134(3) of the Act, your Directors, to the best of their knowledge and belief, confirm that:

- a. In the preparation of annual accounts for the year ended March 31, 2024, 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. Your 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, 2024 and of the Profit of the Company for the year ended on that date;
- c. Your 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. Your Directors have prepared the annual accounts on a "going concern" basis;
- e. Your 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. Your 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

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

- In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Paresh J Mistry (DIN: 07893645), Non- Executive Director of the Company is liable to retire by rotation at the ensuing 43rd 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, 2024 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 and Committees

Four Meetings of the Board were held during the year on May 05, 2023, August 05, 2023, November 08, 2023 & February 12, 2024. For details of the meetings of the Board and Committees, please refer to the Corporate Governance Report, which forms part of this report. The maximum interval between any two meetings did not Exceed 120 days, as prescribed by the Act and Listing Regulations.

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: <https://investor.mercurylabs.com/wp-content/uploads/2019/11/NOMINATION-AND-REMUNERATION-POLICY.pdf>

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, 2024 is ₹ 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, 2024. 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 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 <https://investor.mercurylabs.com/wp-content/uploads/2023/02/Related-Party-Transaction-Policy.pdf>

18. Corporate Social Responsibility (CSR)

Company's CSR initiatives and activities are aligned to the requirements of Section 135 of the Act.

A brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in '**Annexure-C**' of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

This Policy is available on the Company's website at <https://investor.mercurylabs.com/wp-content/uploads/2024/06/Corporate-Social-Responsibility-Policy-2-1.pdf>. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of 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 2023-24. The policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at work place is placed on website of the Company <https://investor.mercurylabs.com/wp-content/uploads/2019/11/Policy-on-Prevention-of-Sexual-Harassment-at-Work-Place.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 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 https://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

The information under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:

Name of Director	Designation	Remuneration (₹ in Lakhs)	Ratio to Median Remuneration	Percentage increase/decrease in the remuneration
*Mr. Divyakant R Zaveri	Independent Director & Chairman	2.5	1.23	—
Mr. Rajendra R Shah ²	Managing Director	18.66	9.15	(1.06)
Mr. Dilip R Shah	Non-Executive Director	---	---	---
Mr. Bharat Mehta	Independent Director	---	---	---
**Mr. Paresh Mistry	Non-Executive Director	14.02	6.87	5.89
Ms. Janki R Shah	Non-Executive Director	---	---	---
Mr. Ashish Vasavada	Chief Financial Officers	14.30	7.01	10.85
Ms. Krishna Shah	Company Secretary	4.03	1.98	21.75

*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:

1. There was no change in the criteria for payment of remuneration to Managing Director. The variation reflected in column “% increase in remuneration in FY 2023-24” is due to change in amount of perquisites and other benefits. Basic salary was remaining same.
2. The remuneration to Directors is within the overall limits approved by the shareholders of the Company.

b. 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 9.09%.

c. The number of permanent employees on the rolls of the Company: 482

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

Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year ending March 31, 2024 was approximately 4.89% and the average increase in the managerial personnel remuneration was 5.77%

e. 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.

- f. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

24. Auditors & Their Reports

(1) Statutory Auditors:

M/s. Naresh & Co., Chartered Accountants were appointed as Statutory Auditors of your Company for a period of Five (5) years, commencing from the conclusion of the 41st AGM held in the year 2022, until the conclusion of the 46th AGM to be held in the year 2027.

The Statutory Auditors have confirmed their eligibility and submitted a certificate in affirming that they are not disqualified for holding the office of the Statutory Auditor. The report given by the Statutory Auditor on the financial statements of the Company forms part of the 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, 2024. The Secretarial Audit Report is annexed as 'Annexure-E'

The Auditors' Report and the Secretarial Audit Report for the financial year ended March 31, 2024 do not contain any qualification, reservation, adverse remark.

The Board of Directors of your Company has appointed M/s. Dholakia & Associates LLP, Practicing Company Secretaries Firm, Mumbai to carry out Secretarial Audit of your Company for FY 2024-25.

(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 2024-25 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 43rd 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 2024-25.

25. Secretarial Standards:

The Company has complied with the all Secretarial Standards issued by the Institute of Company Secretaries of India and adopted under the Act

26. 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
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

27. 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.mercury labs.com/miscellaneous-shareholder-details/>

28. 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.

29. 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.

30. 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.

31. 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, 2024 on the website of the Company.

During the year under review, the Company has transferred 1100 equity shares of ₹ 10/- (Rupees Ten only) each of 7 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 ₹ 1,33,583 to the Investor Education and Protection Fund (IEPF) pursuant to Section 125(1) of the Act, pertaining to FY 2015-16. Details of shares transferred to IEPF Authority during financial year 2023-24 are also available on the website of the Company <http://investor.mercurylabs.com/details-of-shares-to-iepf/>

32. 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 https://investor.mercurylabs.com/wp-content/uploads/2023/06/Director-Familiarization-Programme_05.05.2023.pdf

33. 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.

34. 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.
- viii. The Company doesn't fulfill the criteria provided under Regulation 34(2)(f) of the SEBI Listing Regulations 2015, therefore Business Responsibility & Sustainability Report is not applicable to the Company

35. 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.

Date: May 28, 2024

**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-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 <https://investor.mercurylabs.com/wp-content/uploads/2022/03/DIVIDEND-DISTRIBUTION-POICY-2.pdf>

Date: May 28, 2024

**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 - 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 March 31, 2024.

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 28, 2024

**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 – C TO THE BOARD'S REPORT

Annual Report on CSR Activities undertaken during the financial year 2023-24

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 <https://investor.mercurylabs.com/wp-content/uploads/2024/06/Corporate-Social-Responsibility-Policy-2-1.pdf>

2. Composition of CSR Committee

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

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

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

CSR Policy- <https://investor.mercurylabs.com/wp-content/uploads/2024/06/Corporate-Social-Responsibility-Policy-2-1.pdf>

CSR projects approved by the board- https://investor.mercurylabs.com/wp-content/uploads/2023/12/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): ₹ 678.74 Lakhs
 (b) Two percent of average net profit of the company as per section 135(5): ₹ 13.57 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): ₹ 13.57 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 13.73 Lakhs
 (b) Amount spent in Administrative Overheads: ₹ 0.16 Lakhs
 (c) Amount spent on Impact Assessment, if applicable: NIL
 (d) Total amount spent for the Financial Year (6a+6b+6c): ₹ 13.73 Lakhs
 (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	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.
₹ 13.73 Lakhs	NIL				

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	13.57 Lakhs
(ii)	Total amount spent for the Financial Year	13.73 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.16 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)]	0.16 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 28, 2024

Dilip R Shah
Director
DIN: 00257242
Place: USA
Date: May 28, 2024

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:**

- Implementing systems to capture and reuse waste heat from processes, such as in machine or ovens, can reduce the need for additional heating.
- Upgrading to energy-efficient lighting systems, such as LED bulbs, and implemented motion sensors with timers to reduce electricity use when areas and corridor are not in use.
- Optimizing heating, ventilation, and air conditioning systems to maintain proper temperature and humidity levels with minimal energy consumption.
- Streamlining processes to reduce energy consumption, such as optimizing reaction conditions or improving heat exchange processes Example wet granulation to dry granulation to cost and energy Savings.
- Improving the efficiency of steam boilers and recovering condensate to reduce energy consumption in steam generation.
- Ensuring that equipment and systems are well-maintained to prevent energy losses due to malfunctions or inefficiencies. Preventive maintenance SOP in place.
- System was implemented to reduce operational costs, enhance sustainability, and meet regulatory requirements related to energy use and environmental impact.

(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: Nil

2. TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption;

- Used UF technology in STP plant for better quality of water for gardening.
- Used new pipeline in ETP plant in collection tank, coagulation tank and flocculation tank for sludge collection and transfer to sludge bed due to water quality is improve.

(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: ₹ 2.45 Lakhs

3. FOREIGN EXCHANGE EARNING & OUT GO:

Sr. No	Particulars	(₹ in Lakhs)	
		2023-24	2022-23
a.	Foreign Exchange Earnings	1871.09	1907.67
b.	Foreign Exchange outgo towards	31.11	78.97

Date: May 28, 2024

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 DIRECTORS' REPORT

FORM NO. MR 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON **MARCH 31, 2024**

[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
CIN: L74239MH1982PLC026341

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, 2024. 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, 2024 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, 2024, 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 & Sweat Equity) Regulations, 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 Non-Convertible Securities) Regulations, 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, 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 Disclosure 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 at least seven days in advance for meetings other than those held at shorter notice, 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 2023 – 2024.

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

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

We further report that during the year under review:

1. During the year under review, Company had transferred 1,100 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 28, 2024
PLACE: VADODARA
UDIN: A028113F000471391**

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 28, 2024
PLACE: VADODARA
UDIN: A028113F000471391**



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 including Independent directors and Executive Director, which is also available on the Company's Website.

I confirm that the Company has in respect of the year ended March 31, 2024 received 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, 2024.

Date: May 28, 2024

Place: Vadodara

Rajendra R Shah
Managing Director
DIN:00257253

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, 2024, 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, 2024 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 2023-24 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, 2024

Name of Directors	Category of Directors	No. of Board Meeting Attended during 2023-24	Attendance at the last AGM	No. of outside Directorship held in Public Company	Number of memberships/chairmanship in Audit/ Stakeholder Committee(s)		No. of shares held as at March 31, 2024
					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 Director	4	yes	3	4	7	-
Bharat D. Mehta DIN 07180906	Non-Executive Independent Director	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, 2024.

NOTE:

1. This excludes directorship in private company, overseas companies and partnership in LLPs.
2. No of Chairmanship & Membership in Audit Committee & Stakeholders Relationship Committee includes Chairmanship & Membership in Mercury Laboratories Limited.
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 05, 2023	6	6
August 05, 2023	6	6
November 08, 2023	6	6
February 12, 2024	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 Program for Independent Directors-

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

Such programs / 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 programs/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 programs 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	Paresh J Mistry		✓	✓	✓	✓
5	Janki R. Shah	✓	✓	✓	✓	✓
6	Divyakant R. Zaveri		✓	✓	✓	✓

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

We confirm that in the opinion of the board, the independent directors fulfill the conditions specified in SEBI (Listing 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, 2024.

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 12, 2024 in absence of Non-Independent Directors and Members of Management. Mr. Divyakant Zaveri chaired the meeting. 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 Obligations and Disclosure 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, 2024 are given below. The Company Secretary act as secretary to Audit Committee.

Name	Category of Director	Number of Meetings during the Year 2023-24	
		Held	Attended
Mr. Divyakant R. Zaveri	Chairman, Non-Executive Independent	4	4
Mr. 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 05, 2023, August 05, 2023, November 08, 2023 & February 12, 2024. 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 internal auditors to be present at its meetings.

The Previous Annual General Meeting (AGM) of the company was held on September 27, 2023.

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, 2024. During the financial year, there were three meeting of Nomination & Remuneration Committee held on May 05, 2023, August 05, 2023 and November 08, 2023 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 2023-24	
		Held	Attended
Mr. Bharat D. Mehta	Chairman, Non-Executive Independent	3	3
Mr. Divyakant R. Zaveri	Member, Non-Executive Independent	3	3
Ms. Janki Shah	Member, Non-Executive Non- Independent	3	3

The main term of reference of Nomination and Remuneration Committee is to review and recommend the revision in remuneration of managerial personnel to the Board of Directors. The Nomination and 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/> <https://investor.mercurylabs.com/wp-content/uploads/2019/11/NOMINATION-AND-REMUNERATION-POLICY.pdf>

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

Nomination and Remuneration Policy:

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

The salient features of the NRC Policy are as under:

- 1) Setting out the objectives of the Policy
- 2) Definitions for the purposes of the Policy
- 3) Policy for appointment and removal of Director, KMP and Senior Management
- 4) Policy relating to the Remuneration for the Managerial Personnel, KMP, Senior Management Personnel & other Employees
- 5) Remuneration to Non-Executive/Independent Director

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 2023-24 are as under.

Name of Director	Sitting Fees Paid (₹ in Lakhs)
Mr. Divyakant R. Zaveri	0.47
Mr. Bharat D. Mehta	0.47
Mr. Paresh J Mistry	0.35
Mr Dilip Shah	0.29
Ms Janki Shah	0.27

For the year ended on March 31, 2024 Remuneration was paid to Mr. Rajendra R Shah, Managing Director, of ₹ 13.04 Lakhs and perquisite of ₹ 5.62 Lakhs aggregate value thereof was ₹ 18.66 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 ₹ 2.5 Lakhs as a professional fees for the FY 2023-24. However, they were paid per meeting sitting fees @ ₹ 5000 for Board Meeting and @ ₹1500 for each committee meeting during the year under review. For Annual Board Meeting, sitting fees is ₹ 7500 per meeting.

Mr. Paresh J Mistry, Non-Executive Director was paid remuneration of ₹14.02 Lakhs for the year ended on March 31, 2024 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, 2024.

During the financial year, four meetings of Stakeholders Relationship Committee were held i.e. on May 05, 2023, August 05, 2023, November 08, 2023 & February 12, 2024. The necessary quorum was present at the meeting.

Details of sitting fees paid to Non-Executive Directors during the year 2023-24 are as under.

Name	Category of Director	Number of Meetings during the year 2023-24	
		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 of the Company acts as the Secretary and Compliance Officer to the meetings of the Stakeholders Relationship Committee.

During the year, two 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.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The CSR Committee provides guidance on various CSR activities to be undertaken by the Company and monitors its progress.

The terms of reference for the CSR Committee include:

1. Formulate, review, amend and recommend CSR Policy to the Board for approval.
2. Review the Annual CSR action plan and the CSR budget and give recommendations to the Board for its approvals.
3. Monitor the CSR programs from time to time as per CSR Policy, provide update to the Board to help Board in monitoring the implementation of CSR programs.
4. Review the impact assessments on CSR programs and provide update to the Board as part of the CSR Report.

During the financial year, four meetings of CSR Committee were held i.e. on May 05, 2023, August 05, 2023, November 08, 2023 & February 12, 2024. The necessary quorum was present at the meeting.

Name	Category of Director	Number of Meetings during the year 2023-24	
		Held	Attended
Mr. Rajendra Shah	Chairman, Managing Director	4	4
Mr. Bharat Mehta	Independent Director	4	4
Mr. Divyakant Zaveri	Independent Director	4	4
Mr. Dilip Shah	Director	4	4

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 <https://investor.mercurylabs.com/wp-content/uploads/2024/06/Corporate-Social-Responsibility-Policy-2-1.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, 2023	September 27, 2023 at 11:30 AM	VC/OAVM	<p>1. Payment of of Remuneration to Mr. PareshJ Mistry, (DIN: 07893654) Non-Executive Directors exceeding fifty percent (50%) of total remuneration payable to all Non-Executive Directors</p> <p>2. Revision in remuneration being paid to Mr. Saurabh Mittal, Marketing Manager</p> <p>3. Payment of Remuneration to Ms . Janki R Shah (DIN:08686344) , Non - Executive Director of the Company</p> <p>4. Ratification of Remuneration payable to the Cost Auditor of the Company for Financial Year 2023 - 2024</p>

March 31, 2022	September 27, 2022 at 11:30 AM	VC/OAVM	<p>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.</p> <p>2. Payment of Remuneration to Non- Executive Directors</p> <p>3. To approve payment of remuneration to Mr. Divyakant Zaveri, (DIN: 01382184) an Independent Non- Executive Chairman of the Company</p> <p>4. Continuation of Mr. Rajendra R Shah (DIN: 00257253) as a Managing Director of the Company</p>
March 31, 2021	September 28, 2021 at 11:30 AM	VC/OAVM	<p>1. Approval of Payment of remuneration to Non-Executive Director Mr. Paresh Mistry.</p> <p>2. Inviting/Acceptance/ Renewal of Deposits from Members under Section 73 of the Companies Act, 2013</p>

- 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: <https://investor.mercurylabs.com/wp-content/uploads/2023/02/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 Janaki R shah who is daughter of Managing director.

IV. Vigil Mechanism/Whistle Blower Policy

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

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

V. Code of Conduct

The Company has adopted a Code of Conduct for Directors and Senior Management of the Company, as required under Regulation 17(5)(a) of the Listing Regulations. 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, 2024. The Annual Report of the Company contains a certificate by the 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.

The Code has been displayed on the Company's website at <http://investor.mercurylabs.com/wp-content/uploads/2020/09/Code-of-Conduct-for-BOD-SrMgt-as-per-revised-CI49.pdf>

VI. Reconciliation of share capital audit:

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

VII. Means of Communication-Website & News Paper Published

The Quarterly, Half yearly and Annual results of the company are normally published in free press journals & business standards in English and in Nav Shakti & Lakshdeep in Marathi News Papers having wide circulation. The Financial results are also displayed on the Company's website <http://investor.mercurylabs.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.mercurylabs.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.

VIII. 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.

IX. Disclosures with respect to Suspense Escrow Demat Account

As per the Circulars/guidelines issued by SEBI, after due verification of the investor service requests received from the Shareholders/Claimants, 'Letters of Confirmation (LOC)' are issued in lieu of physical share Certificate(s) by Companies/RTAs. The validity of such LOCs is one hundred twenty (120) days from the date of issuance, within which the Shareholder/Claimant is required to make a request to the Depository Participant (DP) for dematerializing the shares covered by the LOC. In case the demat request is not submitted within the aforesaid timeline of one hundred twenty (120) days, the Companies are required to transfer such shares to Suspense Escrow Demat Account (SEDA) of the Company opened for this purpose. Shareholders/Claimants can claim back their shares from SEDA by submitting the required documents to RTA as per SEBI Advisory dated 30th December, 2022. Details of shares transferred to / released from SEDA during the FY 2023-24 are as under:

Particulars	No of Shares
Shares lying in SEDA as on April 01, 2023	0
Shares transferred to SEDA during FY 2023-24	0
Shares lying in SEDA as on March 31, 2024	0

X. Particulars of senior management of the Company:

Name of Senior Management Personnel	Category
Mr. Saurabh Mittal	Chief Operating Officer
Mr. Ashish Vasavada	Chief Financial Officer
Ms. Shilpi Bhatnagar	Quality Assurance head
Mr. Mahendra Patel (resigned w.e.f April 08, 2024)	Plant head- Injection
Mr. Sandip Patel (appointed w.e.f May 08, 2023)	Plant Head- Liquid & Tablet
Mr. Mukesh Shrivastava	Vice President-Marketing & Sales
Ms. Krishna Shah	Company Secretary
Mr. Kinjal Upadhyay (appointed w.e.f August 03, 2023)	HR Manager

XI. General Shareholder information

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

Day, Date & Time	As Mentioned in the notice of AGM
Venue	Through Video Conferencing / OAVM

(b) Financial Calendar

Financial Year: April 1 to March 31

For the financial year 2023-24, the results were announced as per the following details:

1 st Quarter ended on June 30, 2023	August 05, 2023
2 nd Quarter ended on September 30, 2023	November 08, 2023
3 rd Quarter ended on December 31, 2023	February 12, 2024
Audited Financial Result for the year ended on March 31, 2024	May 28, 2024

For the financial year 2024-25, financial results will be announced as per the following tentative schedule:

1 st Quarter ended on June 30, 2024	Last week of July , 2024
2 nd Quarter ended on September 30, 2024	First week of November, 2024
3 rd Quarter ended on December 31, 2024	First week of February, 2024
Audited Financial Result for the year ended on March 31, 2025	Last week of May, 2025

(c) **Dividend Payment Date** : As mentioned in the Notice of this AGM

(d) **Date of Book Closure** : As mentioned in the Notice of this AGM

(e) **Listing on Stock Exchange** : **BSE Limited**
25th Floor, Phiroze Jeejeebhoy
Towers, Dalal Street,
Mumbai, Maharastra-400 001.

The Company has paid the listing fees to this Stock Exchange for the year 2023-24.

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

(j) **Investors can find web link for Related Party Transaction Policy:**
<https://investor.mercurylabs.com/wp-content/uploads/2023/02/Related-Party-Transaction-Policy.pdf>

(k) **Dividend Distribution Policy:**
<https://investor.mercurylabs.com/wp-content/uploads/2022/03/DIVIDEND-DISTRIBUTION-POICY-2.pdf>

(l) **Policy on Determination of Materiality for Disclosures:**
<https://investor.mercurylabs.com/wp-content/uploads/2022/03/Materiality-policy-3.pdf>

(m) **Policy on Archival and Preservation of Documents:**
<https://investor.mercurylabs.com/wp-content/uploads/2019/11/Policy-On-Preservation-Of-Documents.pdf>

(n) 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, 2024 are given in the Board's 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

(o) Credit Ratings for Fixed Deposits:

CRISIL Rating has reaffirmed credit rating to 'BB+/Stable' on Fixed Deposits of ₹ 3 Cr. during the financial year 2023-24

(p) Market price data:

High / Low in each month of year 2023-24 on the Bombay Stock Exchange Limited, Mumbai.

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April-23	698.00	557.00	October-23	838.00	741.00
May-23	953.65	535.10	November-23	936.00	710.20
June-23	866.00	750.00	December-23	1048.40	721.15
July-23	835.00	751.65	January-24	1303.00	999.00
August-23	861.00	747.05	February-24	1184.05	823.10
September-23	844.45	709.00	March-24	915.00	800.00

(q) 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-23	61112.44	2.41	601.10	23.65
May-23	62622.24	3.24	787.25	4.67
June-23	64718.56	2.72	825.85	(6.00)
July-23	66527.67	(2.62)	779.10	2.61
August-23	64831.41	1.51	800.00	(0.25)
September-23	65828.41	(3.06)	798.00	(1.00)
October-23	63874.93	4.65	790.10	(1.41)
November-23	66988.44	7.27	779.15	24.32
December-23	72240.26	(0.68)	1029.60	16.91
January-24	71752.11	1.03	1239.20	(41.63)
February-24	72500.3	1.56	874.95	(5.15)
March-24	73651.35	1.12	832.10	4.32

(r) Registrar and Share Transfer Agent:

Link Intime India Pvt. Ltd.
Geetakunj, 1, Bhakti Nagar Society, Behind ABS Tower,
Old Padra Road, Vadodara, Gujarat-390015
Phone No.: 0265 – 3566768, fax No.: 0265 – 2250246
E-mail: vadodara@linkintime.co.in, Website: www. Linkintime.co.in

(s) Share transfer system:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form.

Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

The Directors and certain Company officials (including Chief Financial Officer and Chhghompany Secretary) are authorized by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

(t) Categories of Shareholding and Dematerialization of Shares as on March 31, 2024.

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	11200	15934	27134	2.26%
Others (includes holding of Corporate Bodies)	50700	238266	288966	24.08%
TOTAL	61900	1138100	1200000	100.00%
Percentage	5.16	94.84	100	

(u) Distribution of Share Holding as on March 31, 2024

No. of Shares	Number of shareholders	Percentage of Total	Number of shares for the range	Percentage of total shares
1 to 500	1178	94.92	93126	7.76
501 to 1000	18	1.45	13758	1.15
1001 to 2000	15	1.21	24115	2.01
2001 to 3000	7	0.57	17574	1.46
3001 to 4000	3	0.24	10985	0.92
4001 to 5000	3	0.24	13559	1.13
5001 to 10000	1	0.08	5806	0.48
10001 and above	16	1.29	1021077	85.09
Total	1197	100.00	1200000	100.00

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

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

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

1. Link Intime India Pvt. Ltd.
Geetakunj, 1, Bhakti Nagar Society, Behind ABS Tower,
Old Padra Road, Vadodara, Gujarat-390015
Phone No.: 0265 – 3566768,
E-mail: vadodara@linkintime.co.in, **Website:** www.Linkintime.co.in

2. Company Secretary & Compliance Officer
Mercury Laboratories Limited
2/13-14, Gorwa Industrial Estate, Gorwa Road, Vadodara – 390 01
Phone No:0265-2477952
Email: secretarial@mercurylabs.com, **Website:** www.mercurylabs.com

(y) Registered Office & Address for correspondence:

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

Corporate Office: 2/13-14, Gorwa Industrial Estate, Gorwa Road, Vadodara – 390 01
Email: secretarial@mercurylabs.com **Website:** www.mercurylabs.com
Phone No:0265-2477952

XII. 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.

XIII. 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:** The half-yearly financial results are published in the newspapers as mentioned above and they are also displayed under the Investor Relations section on the Company's website <https://investor.mercurylabs.com/financial-report/> Therefore, the results were not separately circulated to all shareholders.
- c) **Modified opinion(s) in Audit Report:** The Company has its financial statements for the financial year ended March 31, 2024 with unmodified audit opinion.
- 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

XIV. 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.

XV. 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.

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

Total fees for all services paid by the Company on a consolidated basis, to M/s. Naresh & Co, the Statutory Auditors of the Company is mentioned at Note No. 47 of Notes to Financial Statements. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.



XVII. Discretionary requirements

The auditors' report on financial statements of the Company are unmodified. Internal auditors of the Company make quarterly presentations to the Audit Committee on their reports.

XVIII. 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.

XIX. 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. The same are available on the website of the Company on the following link <https://investor.mercurylabs.com/wp-content/uploads/2019/11/Code-of-Fair-Disclosure-of-Unpublished-Price-Sensitive-Information.pdf> & <https://investor.mercurylabs.com/wp-content/uploads/2022/05/Code-of-conduct-to-regulate-Monitor-and-report-trading-by-Insider.pdf>

XX. 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

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

XXII. 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

XXIII. 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.

XXIV. Disclosure of certain type of agreements binding listed entities

There are no agreement impacting management or control of the Company or imposing any restriction or create any liability upon the Company

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

Date: May 28, 2024

**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**



**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: A028113F000471347
Date: May 28, 2024
Place: Vadodara**



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (l) and (t) 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) and (t) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2024.
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 28, 2024
UDIN: 24108377BKBOTV5836

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, 2024 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, 2024 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
- (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 28,2024

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 Standalone Financial Statements

Opinion

We have audited the accompanying Financial Statements of **MERCURY LABORATORIES LIMITED** (“the **Company**”) which comprise the Balance sheet as at **31st March, 2024**, 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 “Standalone Financial Statements”)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the State of Affairs of the Company as at March 31, 2024, 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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue from Operations:

(Reference is invited to Note 3.17 under Significant Accounting Policies and Note 27 to the Standalone Financial Statements)

The Company recognises revenue from the sales of its pharmaceutical products through various modes such as export directly to customers, domestic sales directly to customers and domestic sales through network of Distributors and Resellers. The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company records product sales net of estimated incentives / discounts, returns, rebates and other related charges.

Further, the Company has a large number of customers operating in various geographies and sales contracts with customers have a variety of different terms which impact the recognition of revenue, the entitlement to sales rebates, the right to return and price adjustments leading to complexity as well as involvement of judgement in determining sales value.

The risk is, therefore, that revenue is not recognized in the correct period in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter alongwith the factor that accrual towards rebates, discounts, returns and allowances is complex and requires significant judgments and estimates in relation to contractual agreements / commercial terms across various geographies and any change in these estimates can have a significant financial impact as well as the factot that the Company considers revenue as key benchmark for evaluating performances and hence, there is risk of revenue being overstated due to pressure to achieve targets, earning expectations or incentives linked to performance for a reporting period.

2. Inventory Existence and Valuation :

(Reference is Invited to Note 3.14 under Significant Accounting Policies and Note 10 of the Notes to the Standalone Financial Statements)

The carrying value of inventories as at March 31, 2024 is Rs. 620.66 lacs. The Inventories are located at multiple locations inside the factory and third-party locations. Inventories are valued at lower of cost or net realizable value. Valuation of Inventories is arrived at by a combination of direct extract from books of accounts as well as some manual calculations based on quantitative inputs.

Existence and Valuation of Inventory has been considered as a key audit matter due to :

- a) Significance of the inventory balance to the total assets as per Standalone Financial Statements.
- b) Multiple locations that inventory is held at.
- c) Valuation of inventory partially in a non-automated environment, and the resultant likelihood of material misstatement resulting from errors in computation.
- d) Considering the number of locations and the level of inventory held across its factories, as well as the physical verification of inventory at these locations on different dates, the potential risk of existence of such inventory and the identification of non-moving, obsolete / damaged inventory
- e) The inventory valuation also requires management estimates towards write-down of inventory items to its net realizable value (wherever applicable) and allowance for slow moving or non-moving inventory.

How the Key Audit Matter was addressed in our Audit :

Our audit included, but was not limited to, the following procedures:

- a) Evaluating the Company's Inventory Accounting Policies and assessing compliance with the relevant accounting standards
- b) Evaluating the design and testing the implementation and operating effectiveness of the Company's internal controls over physical verification of inventory, inventory valuation and accounting.
- c) Observing the physical verification conducted by management as at the year end at the Factory including observing compliance of stock count instructions by management personnel, observing steps taken by management to ascertain the existence of inventory on the date of the count (including identification of non-moving, obsolete / damaged inventory), performing independent inventory counts on sample basis and reconciling the same to the management counts and reviewing the reconciliation of the differences in inventory quantity between the physical count and the books of accounts,
- d) Testing the costs as calculated by the management on a sample basis by verifying underlying records such as purchase invoices, cost sheets, overhead allocations and capacity utilization certificates as also comparing the cost of the Raw material, Finished goods and Work In Progress with the estimated net realizable value, on sample basis, with an overall intent to ascertain that the Valuation was arrived at as per the accounting policy of the Company.

Information Other than the Standalone 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, Business Responsibility Report, Corporate Governance, Shareholder's Information and Other Information included in the Company's Annual Report, but does not include the standalone financial statements and our auditor's reports thereon.

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance, 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.

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.

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, 2024, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2024 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 impact of pending litigations on the standalone financial statements are as disclosed in Note 42 of notes forming part of the standalone 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) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

**Place: VADODARA
Date: 28/05/2024
UDIN: 24108377BKBOTW7022**

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

“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 2024 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, 2024 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.
- (viii) 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 the basis of review of utilization of funds which is based on an overall examination of the balance sheet of the Company, related information as made available to us and as represented to us by the Management, we report that in general funds raised on short-term basis have, prima facie, not been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiaries, associates or joint ventures and hence, reporting under Paragraph (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) There has been no resignation of the Statutory Auditor during the 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) The Company has spent the amount required to meet its Corporate Social Responsibility (CSR) obligations as per S. 135 of the Act. The Company does not have any ongoing CSR Projects. Hence no further comments are required under Para (xx) of the Order.
- (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)

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

Place: VADODARA
Date: 28/05/2024
UDIN: 24108377BKBOTW7022



“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, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

In our opinion, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, 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: 28/05/2024
UDIN: 24108377BKBOTW7022**

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

BALANCE SHEET AS AT 31ST MARCH, 2024

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
I. ASSETS			
(1) Non - current assets			
(a) Property, Plant and Equipment	4	2,395.06	2,377.49
(b) Intangible assets	5	2.54	4.08
(c) Capital Work In Progress	6	381.72	13.00
(d) Right of use assets	7	5.57	44.69
(e) Financial assets			
(i) Investments	8	0.63	0.63
(f) Other non - current assets	9	26.52	30.68
(2) Current assets			
(a) Inventories	10	620.66	690.18
(b) Financial assets			
(i) Investments	8	-	-
(ii) Trade receivables	11	2,185.10	2,136.53
(iii) Cash and cash equivalents	12	329.38	370.66
(iv) Bank balances other than cash and cash equivalents	13	493.27	360.85
(v) Others	14	21.59	56.75
(c) Other current assets	15	333.70	330.64
Total Assets		6,795.74	6,416.18
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	16	120.00	120.00
(b) Other equity	17	4,963.85	4,442.89
Liabilities			
(2) Non - current liabilities			
(a) Financial liabilities			
(i) Long Term Borrowings	18	286.43	242.08
(ii) Lease Liabilities	19	5.26	4.46
(iii) Other Financial Liabilities	20	-	-
(b) Provisions	21	-	-
(c) Deferred Tax Liability (net)	22	125.82	189.19
(3) Current liabilities			
(a) Financial liabilities			
(i) Short Term Borrowings	23	263.13	294.34
(ii) Lease Liabilities	19	0.54	42.54
(iii) Trade payables	24		
a) Total outstanding dues of micro enterprises and small enterprises		95.41	74.70
b) Total outstanding dues of creditors others than micro enterprises and small enterprises		422.74	563.55
(iv) Other financial liabilities	20	330.42	335.00
(b) Provisions	21	33.18	32.33
(c) Other current liabilities	25	86.28	66.15
(d) Current tax liabilities (net)	26	62.68	8.95
Total Equity and Liabilities		6,795.74	6,416.18
The accompanying notes 1 to 63 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.R. No. 108377
Partner

Place: Vadodara
Date: 28 May, 2024
UDIN: 24108377BKBOTW7022

For and 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

Ashish Vasavada
Chief Financial Officer
Place: Vadodara

Krishna Shah
Company Secretary
Place: Vadodara

Dated: 28 May, 2024

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

	Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
I.	Revenue from operations	27	7,555.90	7,533.37
II.	Other income	28	108.85	171.93
III.	Total Income (I+II)		7,664.75	7,705.30
IV.	Expenses:			
	Cost of materials consumed	29	2,809.11	2,857.42
	Purchase of Traded Goods	30	235.96	238.70
	Changes in inventories of finished goods, by-products and work in progress	31	(14.76)	(54.52)
	Employee benefits expense	32	1,450.14	1,424.48
	Finance costs	33	38.30	36.19
	Depreciation and amortization expense	34	281.55	248.33
	Other expenses	35	2,172.42	2,210.24
	Total expenses (IV)		6,972.72	6,960.84
V.	Profit before Tax (III-IV)		692.03	744.46
VI.	Tax expense :			
	Current tax		193.30	225.25
	Deferred tax		(63.37)	(33.84)
	Income Tax relating to Earlier Years		(3.32)	(4.83)
VII.	Profit for the year		565.42	557.88
VIII.	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss remeasurement of the net defined benefit liability/ assets	36	(3.28)	21.82
	(ii) Income tax relating to items that will not be reclassified to profit or loss	36	0.83	(5.49)
	Total other comprehensive income, net of tax		(2.45)	16.33
IX.	Total comprehensive income for the year		562.97	574.21
X.	Earnings per equity share (Nominal value per share Rs. 10/-)			
	- Basic (Rs.)		47.12	46.49
	- Diluted (Rs.)		47.12	46.49
	The accompanying notes 1 to 63 are an integral part of the financial statement.			

As per our report of even date attached.

For Naresh & Co.
Chartered Accountants
FRN: 106928W

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

CA Abhijeet Dandekar
M.R. No. 108377
Partner

Rajendra R Shah
Managing Director
DIN : 00257253
Place: Vadodara

Dilip R Shah
Director
DIN: 00257242
Place: USA

Place: Vadodara
Date: 28 May, 2024
UDIN: 24108377BKBOTW7022

Ashish Vasavada
Chief Financial Officer
Place: Vadodara

Krishna Shah
Company Secretary
Place: Vadodara

Dated: 28 May, 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakhs)

Sr.	Particulars	Year Ended 31.03.2024	Year Ended 31.03.2023
A.	Cash flow from Operating Activities :		
	Net Profit before Tax & Extra Ordinary Items	692.03	744.46
	Adjustment for :		
	Depreciation & Write-offs	281.55	248.33
	Loss / (Profit) on Sale of Investments / Assets	-	-
	Bad Debts	-	-
	Finance Charges ROU	2.64	4.80
	Interest Expense	35.66	31.39
	Operating Profit before Working Capital Changes	1,011.88	1,028.98
	Adjustments for :		
	(Increase) / Decrease in Trade Receivables	(48.58)	(462.04)
	(Increase) / Decrease in Inventories	69.52	(12.23)
	(Increase) / Decrease in Loans & Advances	-	-
	(Increase) / Decrease in other current assets	19.03	(136.51)
	Increase / (Decrease) in Trade Payable	(120.10)	(48.29)
	Increase / (Decrease) in Other Current Liabilities	15.56	(9.06)
Increase / (Decrease) in Long term provisions	0.85	(5.16)	
Cash Generated from Operations	948.16	355.69	
Interest Paid	-	-	
Direct Taxes Paid (Net of Refund)	(125.66)	(110.45)	
Cash Flow before Extra Ordinary Items	822.50	245.24	
Prior Period Items (being cash items)	-	-	
Net Cash Flow from Operating Activities	822.50	245.24	
B.	Cash flow from Investing Activities		
	Purchase of Fixed Assets	(627.17)	(105.68)
	Net Proceeds from Sale of Fixed Assets	-	-
	Dividend Received	-	-
Investments	-	-	
Net Cash used in Investment Activities	(627.17)	(105.68)	
C.	Cash Flow from Financing Activities		
	Interest Paid	(35.66)	(31.39)
	Finance Charges ROU	(2.64)	(4.80)
	(Increase) / Decrease in Other Non current Assets	4.16	(7.97)
	Increase / (Decrease) in Short Term Borrowings	(31.21)	28.74
	Increase / (Decrease) in Lease Liabilities	(41.20)	(37.40)
	Increase / (Decrease) in Long Term Borrowings	44.36	(6.46)
Dividend Paid	(42.00)	(42.00)	
Net Cash used in Financing Activities	(104.19)	(101.28)	
D.	Net Increase / (Decrease) in Cash and Cash Equivalents	91.14	38.28
	Cash and Cash Equivalents at beginning of the year (Note no 60)	731.51	693.23
	Cash and Cash Equivalents at the end of the year (Note no 60)	817.06	694.28
	Earmarked balances with banks (Margin Money)	5.59	37.23
	Cash & Bank balances at the end of the year	822.65	731.51

For Naresh & Co.
Chartered Accountants
FRN: 106928W

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

CA Abhijeet Dandekar
M.R. No. 108377
Partner

Rajendra R Shah
Managing Director
DIN : 00257253
Place: Vadodara

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Ashish Vasavada
Chief Financial Officer
Place: Vadodara

Krishna Shah
Company Secretary
Place: Vadodara

Dated: 28 May, 2024

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31ST MARCH, 2024**

a. Equity Share Capital :

(₹ in Lakhs)

As at 31st March, 2023	120.00
Changes in equity share capital during the year	-
As at 31st March, 2024	120.00

b. Other Equity :

(₹ in Lakhs)

	Reserves and Surplus			Other Comprehensive Income	Total
	General Reserve	Securities Premium Reserve	Retained Earnings		
Balance as at 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
Balance as on 1st April, 2023	3,941.34	36.00	419.71	45.84	4,442.89
Profit for the year	-	-	565.42	-	565.42
Other Comprehensive Income (net of tax)	-	-	-	(2.46)	(2.46)
Dividends paid including dividend tax thereon	-	-	(42.00)	-	(42.00)
Transfer to General Reserve	350.00	-	(350.00)	-	-
Balance as at 31st March, 2024	4,291.34	36.00	593.13	43.38	4,963.85

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 Forming Part of the Balance Sheet and Statement of Profit and Loss annexed thereto for the year ended 31st March 2024;

1. General Information of the Company:

Mercury Laboratories Limited (the "Company") was initially established as Mercury Pharmaceutical Industry, a registered partnership firm, in the year 1962. Subsequently it was converted into Private Limited Company registered under Companies Act 1956, in the year 1982 and subsequently to a Limited Company in the year 1992. The Company was listed on BSE Limited Exchange in the year 2015 and has been functioning as a Listed Entity since then.

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 Company has a well-organised distribution system with presence in all the large states of the India apart from the Export Market. The Facilities of the Company are ISO 9001:2008 registered. The Company has a good track record of growth and profitability over the years.

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 at the end of each reporting period as set out in the accounting policies below.

These Financial Statements are presented in Indian Rupees (INR) which is the Company's functional currency and all amounts are rounded off to the nearest lakhs (upto two decimals) except when otherwise stated.

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 application of accounting policies and 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other factors, including futuristic information, that may have a financial impact on the Company. However, these may change due to market changes or circumstances arising that are beyond the control of the company. Any change in these estimates and assumptions will generally be reflected in the financial statements of the period in which such changes arise or prospectively unless they are required to be treated retrospectively under the relevant Ind-AS.

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.

I. Taxes

The tax expense for the year under report includes provision for current tax as well as provision for deferred tax.

Provision for Current tax is made, based on tax estimated to be payable as computed under the various provisions of the Income Tax Act, 1961.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognized 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.

e. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification as per the Company's normal operating cycle. The operating cycle is the time between the acquisition of assets and their realisation in cash and cash equivalents. Based on the nature of products, the Company has identified twelve months as its operating cycle.

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.

f. Application of New Ind AS and List of Standards issue but not made effective

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements. Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As on March 31, 2024, there we no new Standards or Amendment issue but not made effective.

3. Significant Accounting Policies:

3.1 Property, Plant & Equipments

Recognition and initial measurement

Property, Plant & Equipment are initially recognized at their cost of acquisition.

The cost of acquisition includes freight, installation cost, duties & taxes (other than those subsequently recoverable from taxing authorities such as the Goods and Services Tax for which Input Tax Credit is availed by the Company) including borrowing costs for qualifying assets, if capitalization criteria are met, and other incidental expenses, identifiable with the asset, incurred during the installation / construction stage in order to bring the assets to their working condition for intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Cost incurred subsequent to putting an item of PPE into operation such as repair and maintenance costs are usually recognized in statement of profit or loss as incurred. 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.

Subsequent measurement (depreciation and useful lives)

Property, Plant and Equipment are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Freehold Land, if any, is not depreciated.

Depreciation is recognized so as to write-off the cost of assets less their residual values over their useful lives. 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.

Following 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.

3.2 Capital Work-in-Progress (CWIP)

Costs incurred for PPE not ready for use or in the course of construction of being ready for intended use as at the reporting date are disclosed as capital work-in progress. At the point when an item is started to be operated for its intended use, the accumulated costs are transferred to the appropriate category of PPE and depreciation is commenced.

3.3 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 to initial recognition, Investment Properties are measured in accordance with Ind AS 16. 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 repairs and maintenance costs are expensed when incurred.

An Investment Property 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, upon de-recognition.

3.4 Intangible assets

Recognition and Measurement

Intangible assets are recognized 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.

Intangible assets acquired by the company that have finite useful lives are measured at cost.

Expenditure on research activities is recognized in the statement of profit and loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process 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.

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

Subsequent Measurement

Intangible assets are stated at their cost less accumulated amortization and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

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.

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

Software – 3 years

3.5 Leases

The Company determines whether an arrangement contains a lease at the inception of the Contract 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

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- ▶ the Contract involves use of an identified asset
- ▶ the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- ▶ the Company has the right to direct the use of the asset.

The Company as lessee

The Company recognizes 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 plus any indirect costs less any lease incentives.

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.

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 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.

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 recognizes 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.

Right of use asst and Lease Liability are presented separately in the Balance Sheet and lease payments are classified as Financing Cash Flows.

The Company follows the above accounting policies where it is a lessee for all leases except where the term is twelve months or less or the leases are of very low value. For these short term or low value leases, the Company recognizes the lease payments as on operating expense on a straight-line basis over the term of the lease.

The Company as lessor

Operating lease:

Rental income from operating leases is recognised 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 recognised 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.

3.6 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.

3.7 Provisions, Contingent Liabilities And Contingent Assets

Provisions

Provisions, which required a substantial degree of estimation, 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. The expense relating to a provision is recognized in the Statement of Profit & Loss

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized 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 recognized as a finance cost in respective expense.

Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognized but are disclosed in the notes. Contingent liabilities are disclosed for possible obligations which will be confirmed only by the future event not wholly within the control of the Company or present obligations arising from the past events where it is probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are neither recognized nor disclosed in the financial statements.

3.8 Income Tax

Income Tax Expenses comprise the sum of Current Tax (including past year tax difference) and Deferred 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 recognised outside profit or loss is recognised 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.

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.

3.9 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 since eligible employees are entitled to get benefits and both the Company and eligible employees make monthly contributions towards the same. The contribution paid / payable by the Company under the schemes is recognized 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. The Company recognizes 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 recognizes 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 recognized in Statement of Profit and Loss as employee benefit expenses. Re-measurements recognized 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.

Other Long Term Employee Benefits:

Other Long Term Employee Benefits such as long term compensated absences are measured at present value of estimated future cash flows to be made by the company and is measured, recognized and presented in the same manner as the defined benefit gratuity plant narrated above.

3.10 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.

3.11 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 measured in their entirety at either amortised cost of fair value depending on classification of the Financial Asset :

► Financial Assets at Amortised Cost

A Financial Assets 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.

The EIR amortization and losses arising from impairment are recognized in the Statement of Profit & Loss. The amortized cost of the financial asset is also adjusted for loss allowance, if any

► Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at fair value through other comprehensive income if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, 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 fair value and changes therein are recognized directly in other comprehensive income, net of applicable taxes.

► Financial Assets at Fair Value through Profit and Loss (FVTPL)

FVTPL is a residual category for Financial Assets.

Any Financial Asset, 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 Financial Asset, 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').

Financial Assets 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.

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.

3.12 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.

3.13 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.

3.14 Inventories

Inventories are stated at the lower of cost and net realisable value. 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 other than duties and taxes which are subsequently recoverable from taxing authorities in form of Input Tax Credit or otherwise. Net realisable value is the price at which the inventories can be realised in the normal course of business, and in in case of Semi Finished and Finished Goods, after allowing for the cost of conversion from their existing state, and for the cost of marketing, selling and distribution.

Raw Materials are valued at Cost ascertained on a weighted average basis or Net Realised Value whichever is lower. 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.

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

Provisions and / or write-offs are made to cover slow-moving and obsolete items based on historical experience of utilisation on a product category basis and market conditions.

3.15 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.

3.16 Forward Contracts

The Company is exposed to foreign currency fluctuations on foreign currency assets and forecasted cash flows denominated in foreign currency. The Company tries to limit the effects of foreign exchange rate fluctuations by following risk management policies including use of derivatives. For this the Company enters into forward exchange contracts, where the counter-party is a Bank. These forward contracts are not used for trading or speculation purpose.

In case, of forward contracts the gain or loss arising on exercise of option or settlement or cancellation are recognized in the Statement of Profit & Loss for the period.

The forwards contracts outstanding as at the end of the reporting period are recognized / restated at forward contract rates for the end date of the contract for a period equivalent to the balance maturity period of the contract as at the end of the reporting period and corresponding exchange gain or loss arising on the same is recognized in the Statement of Profit & Loss for the period.

3.17 Revenue Recognition

Revenue from Sale of Products is recognised when control of the products or significant risks and rewards of ownership are transferred to the buyer for a consideration. This usually 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.



Domestic Sales are recognized at the transaction price of the consideration receivable net of Sales Returns and excluding the Goods and Service Tax (GST) element as well as net of expected volume discounts. Export Sales are recognized at their CIF Value charged to the Customers in Invoices.

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.

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.

Sale of Scrap

Revenue from sale of scrap, if any, 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". Interest income from Financial Assets is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

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 are 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.

Other Items of Income

Other items such as Insurance Claims, Commission, Misc. Incomes etc. are accounted on accrual basis (depending on certainty of realization) and disclosed separately as Operational or Non-Operational Income under Other Income.

3.18 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.

3.19 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 (standalone) 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 (Standalone) 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.

3.20 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.

3.21 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 amortised 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 recognised in the statement of profit and loss in the period in which they are incurred.

3.22 Onerous contracts

A provision for onerous contracts is recognised 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.

3.23 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.

3.24 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.

3.25 Good and Services Tax

GST is a destination-based tax and is levied at the point of supply. It is collected on sale of goods and services on behalf of Government and is remitted by way of payment or adjustment of credit on input goods or services. GST input credit is accounted on an accrual basis on purchase of eligible inputs, capital goods and services.

GST Accounts are created under Balance Sheet Groupings for liability towards GST collected on Sales / Other Revenue and asset towards GST paid on purchases or other expenditure for which credit is available. For Each month the GST liability is worked out after offsetting the credit available against the GST collected. The Net GST Account appears in the Balance Sheet as a Liability, if any amount is payable as at the year-end after offsetting the available credit and as an Asset if credits remain unutilized after adjusting the amount payable.

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.

**Note No : 4
Property, Plant & Equipment**

(₹ in Lakhs)

Particulars	Land	Building	Plant & Machinery	ETP-Plant	Air Condition	AC-Chiller Plant	Laboratory Instruments	Furniture & Fixtures	Computers	Electrical Installation	Vehicle	Office Equipment	Solar Panel	Total
Gross carrying amount														
Opening Balance As at 1st April, 2022	67.36	1,592.43	997.02	15.72	231.35	377.38	177.28	134.26	86.27	151.79	164.89	8.09	145.47	4,149.32
Additions	-	-	44.18	-	-	-	30.05	0.16	2.43	1.48	13.11	1.29	0.29	92.97
Deductions/ Adjustments	-	-	-	-	-	-	-	-	0.79	-	-	-	0.50	1.29
Opening Balance As at 1st April, 2023	67.36	1,592.43	1,041.20	15.72	231.35	377.38	207.33	134.42	87.91	153.27	177.99	9.39	145.26	4,241.00
Additions	-	23.61	64.37	-	-	-	4.72	5.73	8.05	23.21	100.06	0.81	-	230.56
Deductions/ Adjustments	-	-	13.33	-	-	-	-	-	0.03	-	-	-	-	13.36
Balance As at 31st March, 2024	67.36	1,616.04	1,092.23	15.72	231.35	377.38	212.04	140.15	95.93	176.49	278.06	10.19	145.26	4,458.20
Accumulated Depreciation:														
Opening Balance As at 1st April, 2022	-	436.06	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening Balance As at 1st April, 2023	-	486.42	473.22	7.85	126.78	225.12	118.86	90.46	82.34	133.44	91.25	6.94	20.84	1,863.51
Additions	-	51.02	59.81	1.25	8.93	26.60	11.70	7.60	5.00	5.68	24.17	0.73	9.21	211.68
Deductions/ Adjustments	-	-	12.05	-	-	-	-	-	-	-	-	-	-	12.05
Balance As at 31st March, 2024	-	537.44	520.97	9.10	135.71	251.71	130.56	98.06	87.34	139.12	115.41	7.66	30.06	2,063.14
Net carrying amount:														
Balance As at 31st March, 2024	67.36	1,078.60	571.26	6.63	95.64	125.67	81.48	42.09	8.59	37.37	162.64	2.53	115.20	2,395.06
Balance As at 31st March, 2023	67.36	1,106.01	567.98	7.87	104.57	152.26	88.46	43.96	5.57	19.83	86.75	2.45	124.41	2,377.49

Note No : 5

Other Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software
Gross carrying amount	
Opening Balance As at 1st April, 2022	35.36
Additions	0.70
Disposals	-
Opening Balance As at 1st April, 2023	36.05
Additions	0.50
Disposals	-
Balance As at 31st March, 2024	36.55
Accumulated Depreciation:	
Opening Balance As at 1st April, 2022	29.74
Charge for the period	2.23
Other Adjustments	-
Opening Balance As at 1st April, 2023	31.97
Charge for the period	2.04
Other Adjustments	-
Balance As at 31st March, 2024	34.01
Net carrying amount:	
Balance As at 31st March, 2024	2.54
Balance As at 31st March, 2023	4.08

Note No : 6

Capital work-in-progress

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Projects Work In Progress		
Opening Balance	13.00	-
Add: Addition	368.72	13.00
Less: Capitalised During the year	-	
Closing Balance	381.72	13.00
Projects Temporarily Suspended		
- less than 6 months	-	-
- 1 year to 2 years	-	-
- 2 year to 3 years	-	-
- More than 3 years	-	-
Total	-	-

Note No : 7
Right of Use Asset

(₹ in Lakhs)

Particulars	Land
Gross carrying amount	
Opening Balance As at 1st April, 2022	119.15
Additions	0.03
Deductions/ Adjustments	-
Opening Balance As at 1st April, 2023	119.17
Additions	73.39
Deductions/ Adjustments	119.17
Balance As at 31st March, 2024	73.39
Accumulated Depreciation:	
Opening Balance As at 1st April, 2022	37.02
Additions	37.47
Deductions/ Adjustments	-
Opening Balance As at 1st April, 2023	74.49
Additions	67.83
Deductions/ Adjustments	74.49
Balance As at 31st March, 2024	67.83
Net carrying amount:	
Balance As at 31st March, 2024	5.57
Balance As at 31st March, 2023	44.69

1. Note-4 to Schedule II specifies that the useful life specified in Part C of the Schedule is for whole of the asset. Where Cost of a Part of the Asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part should be determined separately. As per the Management of the Company and considering the nature of Fixed Assets lying in the Block of Assets of the Company, particularly the Plant and Machineries lying in the Block, there are no such major parts whose useful life is different from the useful life of the remaining asset and hence the Company has considered the useful life of the said parts equivalent to the useful life of the Asset only.

Note No : 8
INVESTMENTS

Particulars	Face Value	As at 31.03.2024		As at 31.03.2023	
		Units	Amount (₹ in Lakhs)	Units	Amount (₹ in Lakhs)
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)

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Employee Gratuity Scheme	26.52	30.68
Total	26.52	30.68

Note No : 10

Inventories

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Raw materials	183.66	278.54
Packing Material	133.05	122.45
Work-in-progress	113.59	90.63
Finished goods	190.36	198.56
Total	620.66	690.18
(At lower of cost and net realizable value, unless stated otherwise)		

Note No : 11

Trade receivables - Current

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<u>Unsecured, considered good</u>		
Due from related parties	64.32	3.56
Due from others	2,409.50	2,340.91
Less: Allowances for Expected Credit Loss	288.72	207.94
Total Trade Receivables	2,185.10	2,136.53

Trade Receivable aging schedule as at 31st March, 2024

(₹ 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	1,639.99	244.88	75.94	13.01	500.00	2,473.82
(ii) Undisputed Trade Receivables, which have significant increase in credit risk	-	-	-	-	-	-
(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	1,639.99	244.88	75.94	13.01	500.00	2,473.82
Less: Allowances for Expected Credit Loss						288.72
Total Receivables						2,185.10

Trade Receivable aging schedule as at 31st March, 2023

(₹ in Lakhs)

Particulars	less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) Undisputed Trade Receivables, considered good	1,500.44	183.99	137.28	104.75	418.01	2,344.47
(ii) Undisputed Trade Receivables, which have significant increase in credit risk	-	-	-	-	-	-
(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
Less: Allowances for Expected Credit Loss						207.94
Total Receivables						2,136.53

Note No : 12

Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Balances with banks		
- In current accounts	328.30	370.00
Cash on hand	1.09	0.66
Total	329.38	370.66

Note No : 13

Bank balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Other Bank Balances		
(a) Deposits held as Margin Money	5.59	37.23
(b) Other Fixed Deposits with Bank (Less than 12 Months)	480.00	315.17
(c) Balances held in unpaid dividend accounts	7.68	8.45
Total	493.27	360.85

Note No : 14

Other - Current

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Earnest Money Deposit and Others	13.31	53.21
Accrued Interest Income	8.28	3.54
Total	21.59	56.75

Note No : 15
Other current assets

(₹ in Lakhs)

Particulars	As at	As at
	31.03.2024	31.03.2023
(Unsecured, considered good)		
(a) Advances to other than capital advances	45.34	40.84
(b) Prepaid expenses	9.96	22.19
(c) Balances with government authorities	199.24	184.40
(d) Other Advances	78.26	68.98
(e) Advance Income taxes and refunds receivable	-	13.08
(f) Advances to Staff	0.49	1.16
(G) Foreign Exchange Forward Contract (FVTPL)	0.41	-
Total	333.70	330.64

Note No : 16
Equity Share capital

Particulars	As at 31.03.2024		As at 31.03.2023	
	No. of shares	Amount (₹ in Lakhs)	No. of shares	Amount (₹ in Lakhs)
(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

Particulars	As at 31.03.2024		As at 31.03.2023	
	No. of shares	Amount (₹ in Lakhs)	No. of shares	Amount (₹ in Lakhs)
(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 23-24 and FY 22-23

(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 31.03.2024		As at 31.03.2023	
		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
	Paresh 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%)	-	-	-	-
(g)	During the previous five year period ended 31 March 2024, there was no buy back of shares or issue of shares pursuant to contract without payment being received in cash or issue of bonus shares.				

Note No : 17

Other equity

(₹ in Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
(a) General Reserve				
Balance as per Last Account	3,941.34		3,591.34	
Add : Additions during the year	350.00		350.00	
Balance at the end of the year		4,291.34		3,941.34
(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	419.71		253.83	
Add : Surplus as per Statement of Profit and Loss	565.42		557.88	
Amount available for appropriation	985.13		811.71	
Less : Appropriations:				
Dividend on equity shares	42.00		42.00	
Transfer to general reserve	350.00		350.00	
Balance at the end of the year		593.13		419.71
(d) Other Comprehensive Income (OCI)				
Balance as per Last Account	45.84	-	29.51	-
Add: Other comprehensive income for the year	(2.46)		16.33	
Less: Transfer to retained earnings	-			
Balance at the end of the year		43.38		45.84
Total other equity		4,963.85		4,442.89

Note No : 18
Non-Current Financial Liability

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Long Term Borrowings Secured Loans		
Vehicle Loan	44.36	-
Total (A)	44.36	-
Unsecured Loans Fixed Deposits From Members Loan from Directors	217.08 25.00	217.08 25.00
Total (B)	242.08	242.08
Total (A + B)	286.43	242.08

Note No : 19
Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
NON CURRENT Lease Liability Payable beyond 12 months	5.26	4.46
Total Non Current Lease Liabilities (A)	5.26	4.46
CURRENT Lease Liability Payable within 12 months	0.54	42.54
Total Current Lease Liabilities (B)	0.54	42.54
Total (A +B)	5.80	47.00

Note No : 20
Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
NON CURRENT	-	-
Total Non Current Other Financial Liabilities (A)	-	-
CURRENT Unpaid Dividends Security Deposits Other Expenses Payable	7.68 92.68 230.07	8.45 93.20 233.35
Total Current Other Financial Liabilities (B)	330.42	335.00
Total (A + B)	330.42	335.00

Note No : 21
Provisions

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
NON CURRENT	-	-
Total Non Current Provisions (A)	-	-
CURRENT		
Provision for Employee Benefits: - Provision for Leave Encashment	33.18	32.33
Total Current Provisions (B)	33.18	32.33
Total (A + B)	33.18	32.33

Notes:

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

Projected Unit Credit Method

Actuarial Assumptions Used

Mortality Rate

Indian Assured Lives Mortality (2012-14)

Discount Rate

7.40%

Expected Return on Plan Assets

7.40%

Salary Escalation Rate

7.00%

Major Categories of Plan Assets

Insurer Managed Funds – 100%

(₹ in Lakhs)

Change in Present Value of Defined Benefit Obligation	As at 31.03.2024	As at 31.03.2023
Present Value of Obligations as at the beginning of the Year	116.09	124.34
Interest Cost	8.26	9.00
Current Service Cost	15.92	12.51
Benefits Paid	(18.34)	(7.94)
Actuarial (gains) / losses on obligation	1.33	(21.82)
Present Value of Obligations as at the end of the Year	123.26	116.09
Change in Fair Value of Plan Assets		
Fair Value of Plan Assets as at the beginning of the Year	146.77	138.79
Expected Return on Plan Assets	9.16	8.56
Contributions	4.46	4.85
Benefits Paid	(10.61)	(5.43)
Actuarial (gains) / losses on Plan Assets	NIL	NIL
Fair Value of Plan Assets as at the end of the Year	149.78	146.77

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

(₹ in Lakhs)

Change in Present Value of Defined Benefit Obligation	As at 31.03.2024	As at 31.03.2023
Defined Benefit Obligation as recognized in Balance Sheet		
Present Value of Obligations as at the Year end	123.26	116.09
Unrecognised Past Service Cost	-	-
Fair Value of Plan Assets as at the Year end	149.78	146.77
Net (Asset) / Liability recognized in Balance Sheet	(26.52)	(30.68)
Net Gratuity Benefit Expenditure Recognised in P&L Account		
Current Service Cost	15.92	12.51
Interest Cost	8.26	9.00
Expected Return on Plan Assets	(11.12)	(8.56)
Net Actuarial (Gain) / Loss Recognised in the Year	3.28	(21.82)
Net Expense Recognised in Statement of Profit & loss	13.06	(8.87)

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 2023-24.

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 : 22

Deferred tax assets / liability (net)

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Deferred Tax Asset (a)	85.20	40.42
Deferred Tax Liabilities(b)	211.02	229.61
Total (b) - (a)	125.82	189.19

Deferred tax (asset) / liabilities in relation to:

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Opening 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
Total	189.19	223.04
Recognised in Profit or loss		
Loss allowances on trade receivables (Expected Credit Loss)	(40.39)	(10.21)
Non deductible expenses for tax purpose	(22.02)	(0.01)
Property, plant and equipment	(0.97)	(23.63)
Total	(63.37)	(33.85)
Recognised in Other comprehensive income		
Total	-	-
Closing balance		
Loss allowances on trade receivables (Expected Credit Loss)	(72.67)	(32.28)
Non deductible expenses for tax purpose	(30.15)	(8.14)
Property, plant and equipment	228.64	229.61
Total	125.82	189.19

Note No : 23

Short - Term Borrowings

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
SECURED		
Cash Credit Facility	245.62	288.77
Vehicle Loan	17.51	5.58
Total	263.13	294.34

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 8.50% p.a

Note No : 24
Trade Payables - Current

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Total outstanding dues of creditors		
a) Total outstanding dues of micro enterprises and small enterprises	95.41	74.70
b) Total outstanding dues of creditors others than micro enterprises and small enterprises	422.74	563.55
Total	518.15	638.25
Sundry Creditors are as per books and have not been corroborated by circulation / confirmation of balances.		
Trade Payables Ageng Schedule (Outstanding for following periods from due date of payment)		
Micro and small enterprises		
- less than 1 year	95.41	74.70
- 1 year to 2 years	-	-
- 2 year to 3 years	-	-
- More than 3 years	-	-
	95.41	74.70
OTHERS		
- less than 1 year	422.35	553.66
- 1 year to 2 years	0.35	0.07
- 2 year to 3 years	0.05	0.47
- More than 3 years	-	9.36
Total	422.74	563.56

NOTE: Refer Note No.51 for Dues to Micro and Small Enterprises

Dues to Micro and Small Enterprises :

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

Note No : 25
Other current liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Advance's from Customers	57.21	39.70
Statutory Liabilities	10.58	10.23
Others Current Liability	18.49	16.22
Total	86.28	66.15

Note No : 26
Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for Current Taxation	62.68	8.95
Total	62.68	8.95

Note No : 27

Revenue From Operations

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Sale Of Goods		
Domestic Sales	5,684.81	5,625.70
Export Sales	1,871.09	1,907.67
Total	7,555.90	7,533.37

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Good Transferred at a point in time	7,555.90	7,533.37
Services Transferred at a point in time	-	-
Total Revenue from Operations	7,555.90	7,533.37

Note No : 28

Other Income

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Interest Income		
Fixed Deposits With Banks	11.99	12.35
Duty Drawback /MEIS License	22.60	21.41
Other Non- Operating Income		
Profit on sale of assets	6.76	-
Miscellaneous Income	21.71	14.14
Exchange rate difference	45.79	124.02
Total	108.85	171.93

Note No : 29

Cost of Material Consumed

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Raw Material		
Balance as per last account	278.54	309.02
Add: Purchases during the year	1,716.66	1,670.92
Less: Balance at the end of the year	183.66	278.54
TOTAL (A)	1,811.54	1,701.40
Packing Material Consumed		
Balance as per last account	122.45	134.27
Add: Purchases during the year	965.05	1,090.76
Less: Balance at the end of the year	133.05	122.45
TOTAL (B)	954.45	1,102.57
Consumable Stores and Spares Consumed (C)	43.12	53.44
Total Consumption (A+B+C)	2,809.11	2,857.42

Note No : 30

Purchase Of Traded Goods

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Purchases	235.96	238.70
Total	235.96	238.70

Note No : 31

Changes in Inventory of Finished goods, Work in Progress & Stock-in-Trade

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(Increase)/ Decrease in Stocks		
Stock at the end of the Year:		
Finished Goods	190.36	198.56
Work In Progress	113.59	90.63
Total (A)	303.95	289.18
Less: Stock at the Beginning of the year:		
Finished Goods	198.56	173.48
Work In Progress	90.63	61.18
Total (B)	289.18	234.66
Total (B-A)	(14.76)	(54.52)

Note No : 32

Employee Benefit expenses

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Salaries, Wages and Bonus & other allowances	1,345.79	1,333.42
Contributions to Provident Fund and Other Funds	79.27	57.90
Gratuity Expenses	8.60	16.62
Staff Welfare Expenses	16.48	16.54
Total	1,450.14	1,424.48

Note No : 33

Finance Costs

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Interest Expenses on Borrowings	3.82	0.90
Bank charges & Others	31.84	30.48
Finance Charges on Lease Liability	2.64	4.80
Total	38.30	36.19

Note No : 34

Depreciation and amortization expense

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Depreciation on:		
- Property, Plant and Equipment	211.68	208.63
- Right of use assets	67.83	37.47
Amortisation of intangible assets	2.04	2.23
Total	281.55	248.33

Note No : 35

Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Power and Fuel	186.71	162.22
Analytical & Testing Expense	14.28	14.25
Laboratory Expenses	31.09	16.07
Calibration Charges	0.39	2.76
Manufacturing Processing cost	23.62	19.05
Repairs & Maintenance: Building	69.33	79.87
Repairs & Maintenance: Plant & Machinery	114.28	122.87
Repairs & Maintenance: Others	28.80	36.74
Printing & Stationary Expense	36.13	48.64
Reserch & Development Exp	2.45	0.85
Rent, Rates and Taxes	6.63	4.23
Inspection Fees	11.33	2.05
Insurance	9.93	11.77
Legal and Professional Fees	136.71	89.91
Security charges	15.00	12.18
Prior Period Expense	-	2.92
Allowances for Expected Credit Loss	80.78	128.61
Payments to Auditors (Please refer note 47)	2.50	2.50
Travelling Expense	478.40	525.15
Commission & Brokerage	138.23	163.38
Computer Maintenance Exp.	11.58	8.36
Donation	0.08	0.25
Motor Car & Scooter Exp	13.80	13.64
Postage & Courier	5.18	5.47
Telephone Exp	5.94	3.54
Wastage & Disposable Expense	0.74	0.80
Fumigations Charges	6.69	3.10
Duties & Taxes	25.82	31.26
Bad Debts and Advances Written off	144.57	48.36
Other Expense	4.04	13.89
Selling Exp	217.18	219.37
Packing & Forwarding Exp	234.77	288.99
Loss On Expiry, Spoilage & Breakage	101.71	112.90
Loss on sale of MEIS License	-	2.68
CSR Activity	13.73	11.62
Total	2,172.42	2,210.24

Note No : 36

Other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(i) Items that will not be reclassified to profit or loss remeasurement of the net defined benefit liability/ assets - Defined Benefit Plan on Gratuity	(3.28)	21.82
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.83	(5.49)
Total	(2.45)	16.33

Note No 37 :

C.I. F. value of imports

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Raw Materials	-	26.50
Total	-	26.50

Note No 38 :

Expenditure in Foreign Currency

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Travelling Expense	19.83	27.64
Registration / Inspection Fees	11.28	24.83
Total	31.11	52.47

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

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Contingent Liabilities		
Claims against the Company not acknowledged as debt	-	-
Guarantees (Bank Guarantee)*	78.69	74.69
Total	78.69	74.69
Commitments		
Estimated amounts of contracts remaining to be executed on capital account and not provided for	584.19	-
Uncalled liability on shares or investments partly paid	-	-
Other Commitments		
Total	584.19	-

Guarantees:

Bank Guarantees outstanding as on 31st March, 2024, amounted to ₹ 78.69 Lacs (P.Y. ₹ 74.69 Lacs) against which the company has kept the Margin Money Deposits worth ₹ 33.22 Lacs (P.Y. ₹ 37.23 Lacs).

"Note :

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	(₹ in Lakhs)	
	Year ended 31.03.2024	Year ended 31.03.2023
Continent wise Breakup of Export Goods		
- Asia	842.22	920.86
- America	708.80	478.56
- Europe	194.50	122.90
- Africa	125.57	385.35
Total	1,871.09	1,907.67

Note No 44 :
Lease

"The company has leasing arrangements that have extension / termination options exercisable by either parties which may make the assessment of lease term uncertain. While determining the lease term, the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Future undiscounted lease payments for the remaining term of leases are as follows:"

Lease Commitments	(₹ in Lakhs)	
	As at 31.03.2024	As at 31.03.2023
Particulars		
Not later than 1 year	0.54	42.54
Later than 1 year not later than 3 years	1.08	1.08
Later than than 3 years	18.75	19.36
Total	20.37	62.98

Note No 45 :
Particulars of Foreign Currency Exposure

Particulars	(₹ in Lakhs)	
	As at 31.03.2024	As at 31.03.2023
Sundry Debtors	1,192.16	1,042.69
Sundry Creditors	-	-
Total	1,192.16	1,042.69

Note No 46 :
Director's Remuneration

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

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Remuneration	25.95	25.95
Performance Bonus	6.14	6.14
Total	32.09	32.09

**Note No 47 :
Auditors Remuneration**

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
As Auditors	2.50	2.50
In other capacity	2.50	2.50
Total	5.00	5.00

**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
Friends Society	A Concern in which Director is 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
Ashish Vasavada	Chief Financial Officer
Krishna Shah	Company Secretary

Transactions with Related Parties

(₹ in Lakhs)

Name of Related Party	Nature of Transaction	Year ended 31.03.2024	Year ended 31.03.2023
R .R. Shah	Remuneration	13.04	12.72
	Perquisites	5.62	6.14
	Dividend Paid	3.00	3.00
D.R. Shah	Director Fees	0.29	0.29
	Dividend Paid	2.97	2.97
Paresh Mistry	Salary	14.02	13.24
	Director Fees	0.35	0.35
Janki R shah	Director Fees	0.27	0.24
	Interest on Deposit	1.11	1.11
	Interest on Loan	2.00	2.00
	Dividend Paid	3.64	3.64
Divyakant Zaveri	Director Fees	0.47	0.44
	Professional Fees	2.50	2.50
Bharat Mehta	Director Fees	0.47	0.44
Mercury Antibiotics LLP. (Formerly known as Mercury Antibiotics Pvt Ltd, converted into Mercury Antibiotics LLP w.e.f 16.12.2022)	Lease Rent	72.00	42.00
Mercury Pharma Distributors	Lease Rent	0.30	0.24
JAS Healthcare Inc.	Sales	222.58	138.70
Mercury Marketing & Consulting Services	Consultancy Services	30.00	30.00
Shri Ramanbhai Bapulal Shah Education and Charitable Trust	CSR Contribution	3.80	2.93
Dr. Shrutiben Dilipbhai Shah Education and Charitable Trust	CSR Contribution	3.50	5.00
Friends Society	CSR Contribution	-	0.15
Kaumudiniben R. Shah	Interest on Deposit	4.01	4.00
	Dividend Paid	0.74	0.74
R.R. Shah(H.U.F)	Interest on Deposit	3.41	3.40
	Dividend Paid	7.32	7.32
D.R. Shah(H.U.F)	Interest on Deposit	8.02	8.00
	Dividend Paid	10.87	10.87
Adit D. Shah	Interest on Deposit	0.86	0.86
	Dividend Paid	0.54	0.54
Paresh R Shah	Dividend Paid	0.83	0.83
Bimal R shah	Dividend Paid	0.49	0.49
Parulben Kiranbhai Laliwala	Dividend Paid	0.43	0.43
Kishoriben D Shah	Dividend Paid	0.12	0.12
Saurabh Mittal	Salary	36.22	23.11
Ashish Vasavada	Salary	14.30	12.90
Krishna Shah	Salary	4.03	3.31

(₹ in Lakhs)

Related Party Balance Outstanding at the end of the year	Nature of Transaction	As at 31.03.2024	As at 31.03.2023
Mercury Antibiotics LLP. (Formerly known as Mercury Antibiotics Pvt Ltd, converted into Mercury Antibiotics LLP w.e.f 16.12.2022)	Lease Rent	38.88	13.29
JAS Healthcare Inc.	Receivables	64.32	3.56
Mercury Pharma Distributors	Lease Rent - Advances	-	0.26
Mercury Marketing & Consulting Services	Consultancy Services	16.20	13.50

(₹ in Lakhs)

Kaumudiniben R. Shah	Fixed Deposit (Incl. Interest Payable)	50.00	50.00
R.R. Shah(H.U.F)	Fixed Deposit (Incl. Interest Payable)	42.50	42.50
D.R. Shah(H.U.F)	Fixed Deposit (Incl. Interest Payable)	100.00	100.00
Adit D. Shah	Fixed Deposit (Incl. Interest Payable)	10.70	10.70
Janki R shah	Fixed Deposit (Incl. Interest Payable)	13.88	13.88
Janki R shah-DIRECTOR	Loan from Director (Incl. Interest Payable)	25.00	25.00
Saurabh Mittal	Salary Payable (net)	1.45	1.82
Ashish Vasavada	Salary Payable (net)	0.86	0.46
Krishna Shah	Salary Payable (net)	0.30	0.26
R R Shah	Remuneration Payable	0.89	0.88
Paresh Mistry	Salary Payable (net)	0.91	0.78
Divyakant Zaveri	Professional Fees Payable	0.56	0.56

Note No 49 :

Earnings per share

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lakhs)	565.42	557.88
Weighted Average number of equity shares used as denominator for calculating EPS	12,00,000	12,00,000
Basic and Diluted Earnings per share	47.12	46.49
Face Value per equity share	10	10

Note No 50:

Income Tax Expense

The major component of Income Tax expenses for the year ended March 31, 2024 and March 31, 2023 are as under:

(₹ in Lakhs)

Tax Expense reported in the Statement of Profit and Loss		
Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Current income tax		
Current income tax	193.30	225.25
Adjustment for previous year taxes	(3.32)	(4.83)
Total current income tax	189.98	220.42
Deferred tax		
Relating to origination and reversal of temporary differences	(63.37)	(33.84)
Tax Expense reported in the Statement of Profit and Loss	126.62	186.58
Tax on Other Comprehensive Income		
Deferred tax related to items recognised in OCI during the year	0.83	(5.49)

(₹ in Lakhs)

Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate		
<i>Particulars</i>	Year Ended	
	March 31, 2024	March 31, 2023
Accounting profit before tax	692.03	744.46
Income tax expense @25.17%	174.17	187.37
Tax effect of the amounts which are not deductible / (taxable) in calculating	19.13	37.89
Tax Effect of Other Income	-	-
Tax Effect of Special Rate Income	-	-
Effect of origination and reversal of deferred tax	(63.37)	(33.84)
Income tax relating to earlier years	(3.32)	(4.83)
Interest on Income Tax	-	-
Rounding up	-	-
Tax expense as per Statement of Profit and Loss	126.62	186.58
Effective tax rate	18.30%	25.06%

**Note No 51 :
Dues to Micro & Small Enterprises**

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

(₹ in Lakhs)

Dues to Micro and Small Enterprises	As at 31.03.2024	As at 31.03.2023
a) The principal amount remaining unpaid to any supplier at the end of the year	95.41	74.70
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	95.41	74.70

**Note No 52 :
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, 2024 and March 31, 2023 is as follows:

(₹ in Lakhs)

CWIP	As at 31.03.2024	As at 31.03.2023
Less than 1 Year	368.72	13.00
1-2 Years	13.00	-
2-3 Years	-	-
More than 3 Years	-	-
Total	381.72	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 (₹ in Lacs)	Relationship
Lemison Laundry Equipment Private Limited	Payables	NIL	NA

- x. 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.
- xi. There was no Scheme of Arrangements during the year.
- xii. 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.
- xiii. 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.
- xiv. 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.
- xv. 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.
- xvi. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note No 53 :

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

Note No 54 :

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

**Note No 55 :
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 56 :
Impairment of Assets:**

During the previous year, the Company had undertaken an exercise to review Property, Plant and Equipment and in absence of any further indications, external or internal, as to any probable impairment of assets, no provision has been made for the same.

**Note No 57 :
Corporate Social Responsibility Expenses**

(₹ in Lakhs)

Particulars	Year ended	
	31.03.2024	31.03.2023
1. Amount required to be spent by the company during the year	13.57	11.50
2. Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	13.73	11.62
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)	3.80	2.93
(ii) Donation to * Shri Shrutiben Dilipbhai Shah Education & Charitable Trust For distribution of scholarship to Medical student *(A Concern in which Director is Trustee)	3.50	5.00
(iii) Donation to * Friends Society for education of needy blind students *(A Concern in which Director is Trustee)	-	0.15

Note No 58 :

Fair Values

A. Classification of Financial Assets and Liabilities:

(₹ in Lakhs)

Particulars	Carrying Value as at		Fair Value as at	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Financial assets				
Financial Investments	0.63	0.63	0.63	0.63
Cash and Bank Balances	822.65	731.51	822.65	731.51
Trade Receivables	2,185.10	2,136.53	2,185.10	2,136.53
Other Financial assets	21.59	56.75	21.59	56.75
	-	-	-	-
Financial liabilities				
Trade Payables	518.16	638.25	518.16	638.25
Borrowings (Current)	263.13	294.34	263.13	294.34
Other Financial Liabilities (Current)	330.42	335.00	330.42	335.00

B. Quantitative disclosure of fair value measurement hierarchy as at March 31, 2024:

(₹ in Lakhs)

Particulars	Date of Valuation	Fair Value		
		Level 1	Level 2	Level 3
Financial assets				
Financial Investments	March 31, 2024	-	-	0.63
Cash and Bank Balances	March 31, 2024	822.65	-	-
Trade Receivables	March 31, 2024	-	-	2,185.10
Other Financial assets	March 31, 2024	-	-	21.59
Financial liabilities				
Trade Payables	March 31, 2024	-	-	518.16
Borrowings (Current)	March 31, 2024	-	-	263.13
Other Financial Liabilities (Current)	March 31, 2024	-	-	330.42

Quantitative disclosure of fair value measurement hierarchy as at March 31, 2023:

(₹ 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	-	-	56.75
Financial liabilities				
Trade Payables	March 31, 2023	-	-	638.25
Borrowings (Current)	March 31, 2023	-	-	294.34
Other Financial Liabilities (Current)	March 31, 2023	-	-	335.00

**Note No 59 :
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.

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 2024:

Particulars	Carrying Amount	Upto 1 Year	1-5 Years	More than 5 Years
				(₹ in Lakhs)
Borrowings (including current maturities)	549.56	263.13	286.43	-
Trade Payables	518.16	517.76	0.40	-
Lease Liabilities	5.80	0.54	5.26	-
Other Financial Liabilities	330.42	330.42	-	-

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 31st March 2023:

Particulars	Carrying Amount	Upto 1 Year	1-5 Years	More than 5 Years
				(₹ in Lakhs)
Borrowings (including current maturities)	536.42	294.34	242.08	-
Trade Payables	638.25	628.36	9.89	-
Lease Liabilities	47.00	42.54	4.46	-
Other Financial Liabilities	335.00	335.00	-	-

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. With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings.

The company has overdraft facility against fixed deposits. The rate of interest is linked with the rate of fixed deposit with a defined margin."

(ii) Foreign Currency Risk

The company operates internationally and is exposed to currency risk on account of receivables and payables in foreign currency. The functional currency of the company is Indian Rupee. The company uses forward contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. The company does not use derivative financial instruments for trading or speculative purposes.

I. Foreign Currency Exposure

(₹ in Lakhs)

Particulars	March 31, 2024		
	USD	EURO	GBP
Financial Assets			
Trade and Other Receivables	1,163.40	27.73	1.04
Less: Forward Contract for selling foreign currency	125.69	-	-
Total	1,037.71	27.73	1.04
Financial Liabilities			
Net Exposure	1,037.71	27.73	1.04

(₹ in Lakhs)

Particulars	March 31, 2023		
	USD	EURO	GBP
Financial Assets			
Trade and Other Receivables	1,042.69	-	-
Less: Forward Contract for selling foreign currency	-	-	-
Total	1,042.69	-	-
Financial Liabilities			
Net Exposure	1,042.69	-	-

II. Foreign Currency Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments as below:

(₹ in Lakhs)

Particulars	Movement in Rate	Impact on PBT	
		March 31, 2024	March 31, 2023
USD	5%	51.89	52.13
USD	-5%	(51.89)	(52.13)
EURO	5%	1.39	-
EURO	-5%	(1.39)	-
GBP	5%	0.05	-
GBP	-5%	(0.05)	-

(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. During the year including previous year company has not made any investment in any securities having Uncertainties about future value of investments.

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.

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Debt	549.56	536.42
Less: Cash and bank balances	329.38	370.66
Adjusted net debt	220.18	165.76
Total equity	5,083.85	4,562.89
Adjusted net debt to total equity ratio	0.04	0.04

Note No 60 :

Components of cash and cash equivalents

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Cash and Cash Equivalents at beginning 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
Cash and Cash Equivalents at the end of the year		
Cash on hand and balances with banks	817.06	694.28
Earmarked balances with banks (Margin Money)	5.59	37.23
Total	822.65	731.51

Note No 61 :

Reconciliation of Liabilities from Financial Activities

(₹ in Lakhs)

Particulars	Lease Liabilities	Long Term Borrowings	Short Term Borrowings
Opening Balance As at 1st April, 2022	84.40	248.53	265.61
Cash inflow / (Outflow)	(37.40)	(6.46)	28.74
Non- Cash Changes	-	-	-
Opening Balance As at 1st April, 2023	47.00	242.07	294.35
Cash inflow / (Outflow)	(41.20)	44.36	(31.21)
Non- Cash Changes	-	-	-
Balance As at 31st March, 2024	5.80	286.43	263.14

Note No 62 :

Key Financial Ratios

Ratio	Numerator	Denominator	As at 31.03.2024	As at 31.03.2023	% Variance	Reason for variance
(a) Current ratio	Total Current Assets	Total Current Liabilities	3.08	2.78	10.57%	
(b) Debt-equity ratio	Short Term Borrowing + Long Term Borrowing	Total Equity	0.11	0.12	-8.05%	
(c) Debt service coverage ratio	Profit Before Interest and Tax	Total Debts Service (Interest + Finance Lease Payment + Principal Repayment)	1.23	1.26	-2.36%	
(d) Return on equity ratio	Net Profit after Tax	Total Equity	11.12%	12.98%	-14%	
(e) Inventory turnover ratio	Net Sales	Average Inventory	11.53	11.01	4.68%	
(f) Trade receivables turnover ratio	Net Sales	Average Trade Receivables	3.50	3.95	-11.55%	
(g) Trade payables turnover ratio	Net Purchases	Average Trade Payable	5.28	4.61	14.57%	
(h) Net Working capital turnover ratio	Net Sales	Working Capital	2.56	2.63	-2.69%	
(i) Net profit ratio	Net Profit	Sales	7.48%	7.41%	1.05%	
(j) Return on capital employed	Earning Before Interest and Tax	Capital Employed	12.96%	15.40%	-15.82%	
(k) Return on investment	Profit After Tax	Total Assets	8.32%	8.69%	-4.31%	

Note No 63 :

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

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

CA Abhijeet Dandekar
M.R. No. 108377
Partner

Rajendra R Shah
Managing Director
DIN : 00257253
Place: Vadodara

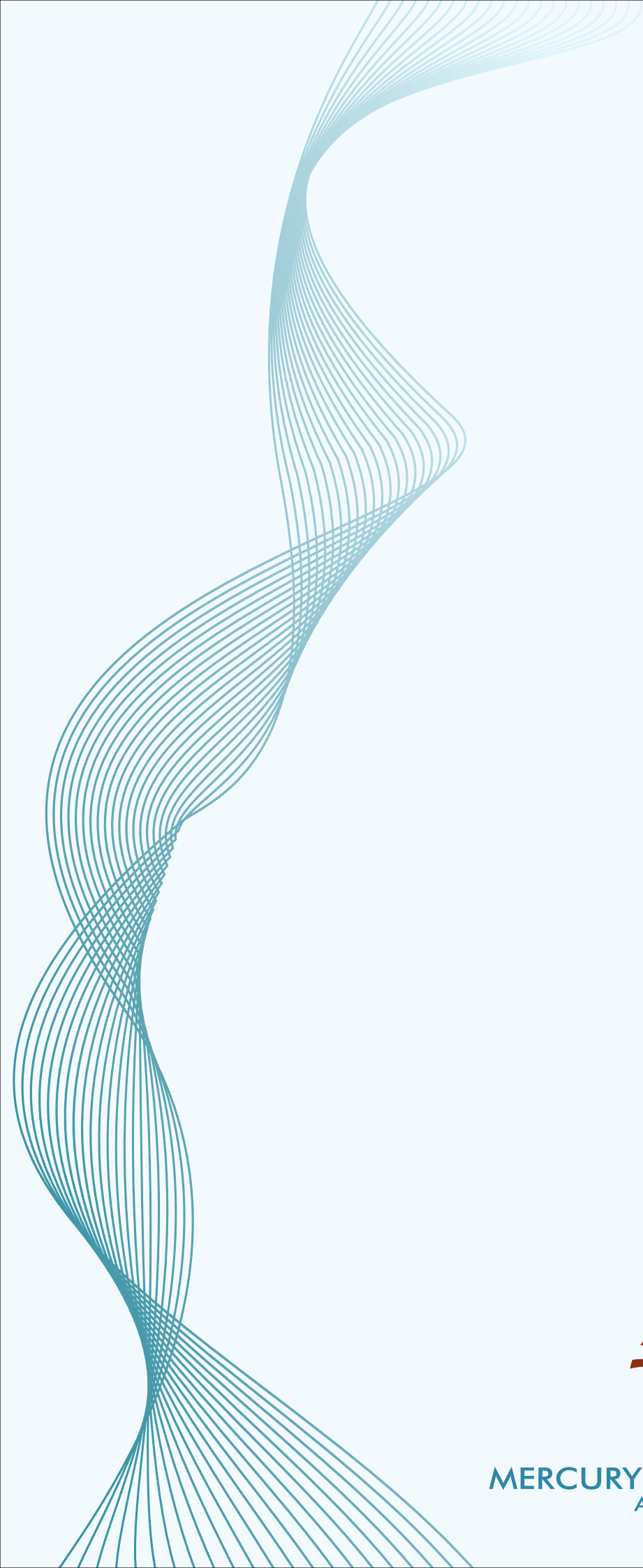
Dilip R Shah
Director
DIN: 00257242
Place: USA

Place: Vadodara
Date: 28 May, 2024
UDIN: 24108377BKBOTW7022

Ashish Vasavada
Chief Financial Officer
Place: Vadodara

Krishna Shah
Company Secretary
Place: Vadodara

Dated: 28 May, 2024



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