

**THRU ONLINE FILING****July 5, 2018**

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 023

Dear Sir,

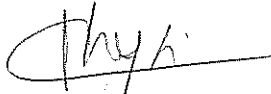
**Sub: Annual Report 2017-18**

We are enclosing herewith copy of our printed Annual Report for the financial year ended 31<sup>st</sup> March, 2018 for your perusal and record.

Kindly acknowledge the receipt.

Thanking you

Yours faithfully  
For Makers Laboratories Limited



Khyati Danani  
Company Secretary  
ACS 21844



**ANNUAL REPORT 2017-18**

**MAKERS LABORATORIES LIMITED**



## ***Five Years' Highlights***

(₹ Lacs)

	2013-14	2014-15	2015-16	2016-17	<b>2017-18</b>
Total Income	6892.03	6537.97	6202.84	5983.62	<b>5785.89</b>
Profit Before Tax	118.75	339.99	350.34	533.64	<b>423.55</b>
Profit After Tax	59.56	235.19	230.61	369.97	<b>305.69</b>
Share Capital	491.70	491.70	491.70	491.70	<b>491.70</b>
Reserves & Surplus	1798.61	1970.84	2565.33	2914.67	<b>3190.49</b>
Net Worth	2290.31	2462.54	3057.03	3406.37	<b>3682.19</b>
Net Block	1385.05	1417.65	1372.57	1745.01	<b>1672.29</b>
Earnings Per Share (₹)	1.21	4.78	4.69	7.52	<b>6.22</b>
Book Value Per Share (₹)	46.58	50.08	62.17	69.28	<b>74.89</b>

**BOARD OF DIRECTOS**

K. C. Jain - Independent Director (DIN 00021239)  
Sudarshan Loyalka - Independent Director (DIN 00016533)  
Dr. Rajeshwar Singh - Independent Director (DIN 00347864)  
Dipti Shah - Independent Director (DIN 07995542)  
Saahil Parikh - Wholetime Director (DIN 00400079)

**COMPANY SECRETARY**

Khyati Danani (ACS 21844)

**AUDITORS**

Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Regn. No. 106971W  
K. Dubash Marg,  
Mumbai - 400 023

**COST AUDITORS**

Kale & Associates  
Cost Accountants  
703, Sushila CHS,  
Kaka Sohni Marg,  
Off Gadkari Marg,  
Thane (West) 400 602

**BANKERS**

Yes Bank Ltd.

**REGISTERED OFFICE**

54-D, Kandivli Industrial Estate,  
Charkop, Kandivli (West),  
Mumbai 400 067  
Tel : 022 - 2868 8544 Fax : 022 - 2868 8544

**REGISTRARS & SHARE TRANSFER AGENTS**

Link Intime India Private Limited  
C-101, 247 Park,  
LBS Marg, Vikhroli (West)  
Mumbai - 400 083  
Tel : 022 - 4918 6000 Fax : 022 - 4918 6060

**WORKS**

Plot No. 29/3, Phase III,  
GIDC Industrial Estate,  
Naroda, Ahmedabad 382 330  
Gujarat.  
Tel : 079 - 2281 3057 Fax : 079 - 2282 2133

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NOTICE is hereby given that the 33<sup>rd</sup> ANNUAL GENERAL MEETING of Makers Laboratories Limited will be held at Anand Mangal Hall, Plot No. 150, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai – 400 067 on Thursday, 2<sup>nd</sup> August, 2018 at 11.00 a.m. to transact the following business.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March, 2018 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Saahil Parikh (DIN 00400079) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s. Natvarlal Vepari & Co., Chartered Accountants (Firm Registration No. 106971W) as the Statutory Auditors made at the 32<sup>nd</sup> Annual General Meeting (AGM) of the Company for a term of 5 (Five) years i.e. till the conclusion of 37<sup>th</sup> AGM and which appointment was subject to ratification at every AGM, be and is hereby ratified and that they shall continue to hold the office as the Statutory Auditors until the conclusion of the 37<sup>th</sup> AGM of the Company, without the necessity of any further ratification, on such remuneration plus re-imburement of out of pocket expenses as may be determined by the Board.”

**SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :  
“RESOLVED THAT Ms. Dipti Shah (DIN 07995542) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 29<sup>th</sup> January, 2018 under Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company.  
RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (the Act) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014, Ms. Dipti Shah (DIN 07995542) a non-executive director of the Company, who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years from 29<sup>th</sup> January, 2018 to 28<sup>th</sup> January, 2023.  
RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this resolution.”
6. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Section 148 (3) and such other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, M/s. Kale & Associates, Cost Accountants (Firm Registration No. 001819) who have been appointed as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2018-19 be paid remuneration of ₹ 65,000/- (Rupees Sixty Five Thousand Only) plus applicable tax and reimbursement of travelling and other out of pocket expenses.”

**NOTES**

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies, in order to be effective must be received at the registered office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy Form is attached herewith.**
- (2) Corporate Members intending to send their authorised representative to attend the meeting are requested to send a certified true copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 28<sup>th</sup> July, 2018 to Thursday, 2<sup>nd</sup> August, 2018 (both days inclusive) for ascertaining the names of the shareholders to whom the dividend which if declared at the meeting is payable.
- (4) The dividend if declared at the meeting will be paid to those members,
  - a. whose names appear as beneficial owners as at the end of the business hours on Friday, 27<sup>th</sup> July, 2018 in the list of beneficial owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form; and
  - b. whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrars and Share Transfer Agents viz Link Intime India Pvt. Ltd. on or before Friday, 27<sup>th</sup> July, 2018.
- (5) The information required to be provided regarding the directors seeking appointment / re-appointment is furnished in the Report on Corporate Governance.
- (6) Members are requested to:
  - (a) intimate to the Company / their Depository Participant ("DP"), changes, if any, in their registered address at an early date;
  - (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;
  - (c) bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
  - (d) encash the dividend warrants on their receipt as dividend amounts remaining unclaimed for seven years are required to be transferred to the 'Investor Education and Protection Fund' established by the Central Government under the provisions of the Companies Act, 2013. Pursuant to Section 124(5) of the Companies Act, 2013, all unclaimed dividend declared and paid upto Dividend for the financial year 2009-10 have been transferred by the Company to the Investor Education and Protection Fund. Members who have not encashed their dividend warrants for subsequent period are requested to encash the same immediately.
  - (e) Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred all shares in respect of which dividend has not been encashed by the shareholders for seven consecutive years or more in the name of Investor Education and Protection Fund (IEPF). The shareholders who wish to claim the said shares from the IEPF may claim the same by filing e-form No. IEPF-5 as prescribed under the said Rules (available on iepf.gov.in) along with requisite fee as decided by the Authority from time to time. The Member/claimant can file only one consolidated claim in a financial year as per the IEPF Rules and amendments thereto.
  - (f) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code

and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc. to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. Link Intime India Pvt. Ltd. (Link Intime) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Link Intime.

- (7) All documents referred in the notice will be available for inspection by the members at the Registered Office of the Company from 11.00 a.m. to 1.00 p.m. on all working days (excluding Saturday) upto the date of the Annual General Meeting and shall also be placed before the members at the said Annual General Meeting.
- (8) Statement setting out material facts under Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto.
- (9) Electronic copy of the Notice of the 33<sup>rd</sup> Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the notice of the 33<sup>rd</sup> Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form is being sent in the permitted mode.
- (10) Members may also note that the Notice of the 33<sup>rd</sup> Annual General Meeting will also be available on the Company's website [www.makerslabs.com](http://www.makerslabs.com) for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form upon making a request for the same. For any communication, shareholders may also send requests to the Company's investors e-mail id [investors@makerslabs.com](mailto:investors@makerslabs.com).
- (11) The route map showing directions to reach the venue of the AGM is annexed.
- (12) Voting through electronic means:
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 (Amended Rules 2015) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 33<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on Monday, 30<sup>th</sup> July, 2018 (9:00 am) and ends on Wednesday, 1<sup>st</sup> August, 2018 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 27<sup>th</sup> July, 2018



may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Any person who is not a Member as on the cut off date should treat this notice for information purpose only. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

A Member can opt for only one mode of voting, i.e. either through e-voting or by ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.

V. The process and manner for remote e-voting 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 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

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 ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password 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 :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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. Your password details 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, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
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.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- i. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [scrutinizer@makerslabs.com](mailto:scrutinizer@makerslabs.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- (13) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 27<sup>th</sup> July, 2018.
- (14) Any person, who acquires shares of the Company and becomes member of the Company after despatch of notice and holding shares as of the cut-off date i.e. 27<sup>th</sup> July, 2018 may obtain the login ID and password by sending an e-mail to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by mentioning their Folio No. / DP ID and Client ID No. However, if you are already registered with NSDL for remote e-voting, then you can use your existing User ID and password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the Toll Free No: 1800 222 990.
- (15) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- (16) Ms. Jigyasa N. Ved (Membership No. FCS 6488 CP6018) or failing her Mr. P. N. Parikh (Membership No. FCS327 CP1228) or failing them Mr. Mitesh Dhabliwala (Membership No. FCS8331 CP9511) of M/s. Parikh & Associates, Practising Company Secretaries have been appointed as the Scrutinizer to scrutinize the remote e-voting process (including voting at the meeting) in a fair and transparent manner.
- (17) The Chairman shall, at the AGM, at the end of discussion on resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting.
- (18) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, on resolutions to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (19) The Results declared alongwith the report of the Scrutinizer shall be displayed at the Registered Office of the Company and placed on the website of the Company [www.makerslabs.com](http://www.makerslabs.com) and on the website of NSDL [www.nsdl.com](http://www.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Ltd. (BSE) where the Company’s shares are listed.

Registered Office:  
54-D, Kandivli Industrial Estate  
Kandivli (West)  
Mumbai – 400 067  
Tel : 022 – 28688544  
E-mail: [investors@makerslabs.com](mailto:investors@makerslabs.com)  
Website: [www.makerslabs.com](http://www.makerslabs.com)  
CIN: L24230MH1984PLC033389

Mumbai  
23<sup>rd</sup> May, 2018

By Order of the Board  
For Makers Laboratories Limited

Khyati Danani  
Company Secretary  
ACS 21844

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 5**

Ms. Dipti Shah (DIN 07995542), aged 44 years is by qualification B.Com and LL.B and is practising as an Advocate at The High Court of Judicature at Mumbai and as Solicitor from England & Wales. Her knowledge and experience in legal, commercial disputes and Company law matters will be of immense benefit to the Company.

She is an Additional/Independent Director of the Company since 29<sup>th</sup> January, 2018. She is the member of the Audit Committee of the Board of Directors of the Company.

She is not a director in any other Company. Ms. Dipti Shah does not hold any equity shares in the Company.

She is not related to any Director or Key Managerial Personnel of the Company.

Details of number of board meetings held and attended by her during her tenure as Director of the Company is given in the Corporate Governance Report attached herewith.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 (the Act), Ms. Dipti Shah being eligible and offering herself for appointment, is proposed to be appointed as an Director/ Independent Director for a period of five consecutive years term from 29<sup>th</sup> January, 2018 upto 28<sup>th</sup> January, 2023. A notice has been received by the Company from a member proposing Ms. Dipti Shah as a candidate for the office of Director of the Company.

Ms. Dipti Shah has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Ms. Dipti Shah fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Director/ Independent Director of the Company and she is independent of the Company's management. Copy of the letter for appointment of Ms. Dipti Shah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company between 11.00 a.m. and 1 p.m. on any working day, excluding Saturday. The same is also available on the Company's website [www.makerslabs.com](http://www.makerslabs.com).

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Dipti Shah as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Dipti Shah as a Director / Independent Director for the approval by the shareholders of the Company.

Except Ms. Dipti Shah being an appointee herself, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board recommends approval to her appointment as a Director / Independent Director of the Company.

**Item No. 6**

The Board of Directors on the recommendation of the Audit Committee have appointed M/s Kale & Associates, Cost Accountants (Firm Registration No. 001819), as the Cost Auditors of the Company for the financial year 2018-19. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on all working days, excluding Saturday.

As per Rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders. The Board has decided the remuneration payable to M/s. Kale & Associates as Cost Auditors as mentioned in the resolution on the recommendation of the Audit Committee. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution set out at Item No. 6.

The Board of Directors accordingly recommend the resolution set out at Item No. 6 of the accompanying Notice for the approval of the members.

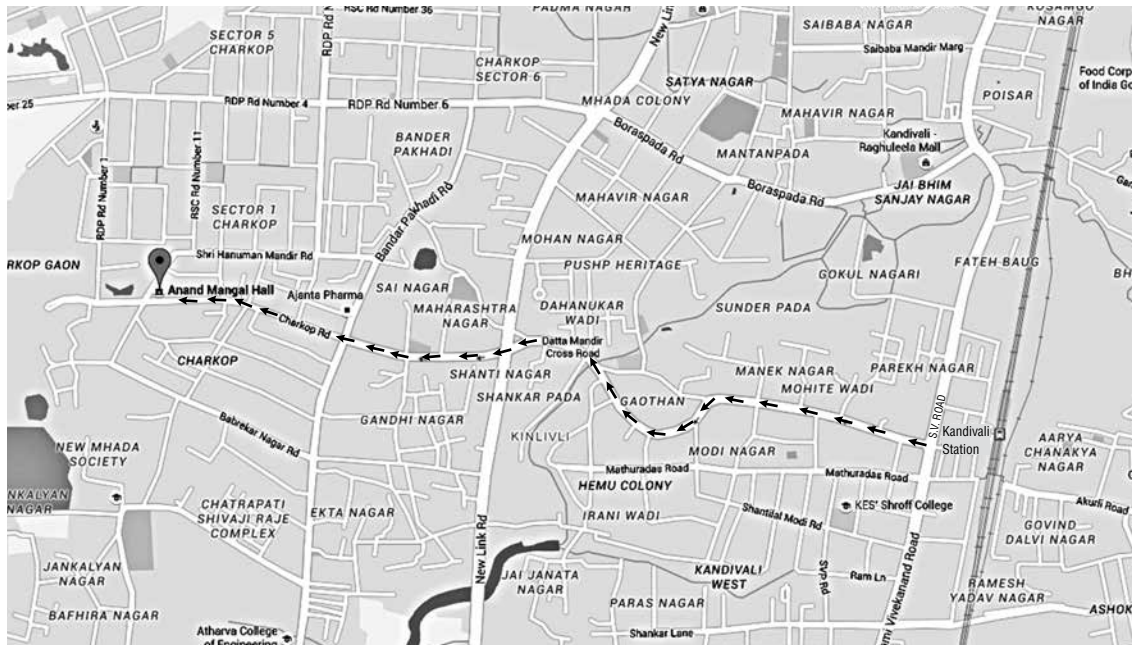
Registered Office:  
54-D, Kandivli Industrial Estate  
Kandivli (West)  
Mumbai – 400 067  
Tel : 022 – 28688544  
E-mail: investors@makerslabs.com  
Website: www.makerslabs.com  
CIN: L24230MH1984PLC033389

By Order of the Board  
For Makers Laboratories Limited

Khyati Danani  
Company Secretary  
ACS 21844

Mumbai  
23<sup>rd</sup> May, 2018

### ROUTE MAP OF THE AGM VENUE



 Anand Mangal Hall-AGM Venue

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the 33<sup>rd</sup> Annual Report and Financial Statements for the year ended 31<sup>st</sup> March, 2018.

### FINANCIAL RESULTS

	For the year ended 31.3.2018 (₹ Lacs)	For the year ended 31.3.2017 (₹ Lacs)
<b>Total Income</b>	<b>5785.89</b>	5983.62
Profit before finance cost, depreciation and taxation	<b>616.52</b>	668.50
Less : Finance Cost	<b>35.82</b>	27.12
Depreciation & Amortisation	<b>157.15</b>	107.74
Profit before tax	<b>423.55</b>	533.64
Provision for taxation		
Current tax	<b>136.17</b>	133.61
Deferred tax liability/(asset)	<b>(13.03)</b>	30.06
Tax provision for earlier years	<b>(5.28)</b>	-
Net Profit after Tax	<b>305.69</b>	369.97

### FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### (a) Financial Performance and Operations Review

Sales and other income for the financial year under report amounted to ₹ 5785.89 lacs as compared with ₹ 5983.62 lacs for the previous year, a de-growth of 3%. The implementation of GST with effect from 1<sup>st</sup> July, 2017 and resultant inventory rationalization in the market place impacted the business of the Company in the financial year under report.

During the year, your Company added many new generic formulations in the market place as well as increased its geographical coverage through appointment of new distributors.

During the financial year under report, the operations of the Company have resulted in a net profit of ₹ 305.69 lacs as compared to a net profit of ₹ 369.97 lacs in the previous financial year. The previous financial year net profit included profit of ₹ 78.38 lacs (before tax) made on sale of Company's bulk drugs manufacturing unit situated at MIDC, Dombivali (East), District – Thane.

#### (b) Opportunities, Threats, Risk and Concerns

The Indian generic formulations market is currently in the growth phase. It is expected that use of generic formulations will gradually increase in India. However, cut throat competition, quality issues of generics manufactured in the country and non existence of organised generic formulations distribution and retailing system are the few causes of concern and is hampering the growth of generic formulations market.

During the year under report, there was no change in the nature of Company's business.

**(c) Internal Control Systems**

The Company has an adequate internal control system including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control systems provide for all documented policies, guidelines, authorisation and approval procedures. 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.

**(d) Human Resources**

Your Company continued to have cordial and harmonious relations with its employees at all levels.

Your Company has adopted quality culture across the organisation in all line and staff functions at all the locations. The quality culture has helped your Company in achieving productivity improvement, cost reduction and waste elimination through employee involvement at all levels.

Your Company had 121 permanent employees as at 31<sup>st</sup> March, 2018.

**(e) Cautionary Statement**

Certain statements in the Management Discussion and Analysis may be forward looking within the meaning of applicable securities law and regulations and actual results may differ materially from those expressed or implied. Factors that would make differences to Company's operations include competition, price realisation, changes in government policies and regulations, tax regimes and economic development within India.

**MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR**

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year to which financial statements in this report relate and the date of this report.

**SHARE CAPITAL**

The paid-up equity share capital of the Company as at 31<sup>st</sup> March, 2018 is ₹ 491.70 lacs. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

**SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES**

The Company has no subsidiary or joint venture companies. During the financial year under report, no company has become / ceased to be subsidiary or joint venture company.

**RESEARCH & DEVELOPMENT**

During the year under report, the Company has spent an amount of ₹ 38.49 lacs as R&D expenditure (0.69% of the turnover) as against ₹ 37.80 lacs spent in the previous financial year (0.64% of the turnover).

**DIVIDEND**

Your directors are pleased to recommend a equity dividend of ₹ 1/- per share (10%) for the financial year under report.

The dividend amounting to ₹ 49.17 lacs and the applicable dividend tax, if approved at the ensuing Annual General Meeting, will be appropriated out of the profits for the year.

**DIRECTORS**

During the year under report, Mrs. Purnima Jain, aged 67 years, Wholetime Director ceased to be the Wholetime Director/Director of the Company with effect from 30<sup>th</sup> October, 2017 upon completion of her term of appointment. She had also informed the Company about her decision to resign as a Director of the Company with effect from the said date. The Board places on record its appreciation for the services rendered by Mrs. Purnima Jain during her tenure as Director/Wholetime Director of the Company.

Mr. Saahil Parikh retires as director by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

At the meeting of the Board of Directors of the Company held on 29<sup>th</sup> January, 2018, Ms. Dipti Shah was appointed as an Additional / Independent Director of the Company. She holds the office of directorship till the conclusion of the ensuing Annual General Meeting. Being eligible, she has offered herself for appointment as a Director / Independent Director of the Company.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Mr. K. C. Jain, Mr. S. V. Loyalka and Dr. Rajeshwar Singh have been appointed as Independent Directors for a period of five years till 31<sup>st</sup> March, 2019 at the annual general meeting held on 28<sup>th</sup> July, 2014.

Mr. K. C. Jain, Mr. S. V. Loyalka, Dr. Rajeshwar Singh and Ms. Dipti Shah who are independent directors, have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as independent directors during the year.

In the opinion of the Board, the independent directors possess appropriate balance of skills, experience and knowledge, as required.

A brief note on Director retiring by rotation and eligible for re-appointment as well as Director being appointed is furnished in the Report on Corporate Governance, annexed herewith.

#### **KEY MANAGERIAL PERSONNEL**

During the financial year under report, the Company has appointed following persons as Key Managerial Personnel:

Mr. Saahil Parikh	-	Wholetime Director / CEO
Mr. Sandeep Kadam	-	Manager – Accounts / CFO
Ms. Khyati Danani	-	Company Secretary

During the year, Mrs. Purnima Jain resigned/retired as a Director/Wholetime Director/CEO w.e.f 30<sup>th</sup> October, 2017. Upon her resignation, Mr. Saahil Parikh was appointed as the CEO in her place and Mr. Sandeep Kadam was appointed as the CFO in place of Mr. Saahil Parikh w.e.f 30<sup>th</sup> October, 2017.

#### **POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS**

The Nomination and Remuneration Committee has laid down the criteria for Directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of a Director. The following attributes/criteria for selection have been laid by the Board on the recommendation of the Committee:

- the candidate should possess the positive attributes such as Leadership, Entrepreneurship, Industrialist, Business Advisor or such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company;
- the candidate should be free from any disqualifications as provided under Sections 164 and 167 of the Companies Act, 2013;
- the candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 in case of appointment as an independent director; and
- the candidate should possess appropriate educational qualification, skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, medical, social service, professional teaching or such other areas or disciplines which are relevant for the Company's business.



**BOARD EVALUATION**

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of independent directors, Board of Directors and Committees of the Board. The criteria for performance evaluation is based on the various parameters like attendance and participation at meetings of the Board and Committees thereof, contribution to strategic decision making, review of risk assessment and risk mitigation, review of financial statements, business performance and contribution to the enhancement of brand image of the Company.

The Board has carried out evaluation of its own performance as well as that of the Committees of the Board and all the Directors.

**REMUNERATION POLICY**

The objective and broad framework of the Company's Remuneration Policy is to consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential and for growth. The Remuneration Policy reflects on certain guiding principles of the Company such as aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of meritocracy and creating a linkage to corporate and individual performance and emphasising on line expertise and market competitiveness so as to attract the talent. The Nomination and Remuneration Committee recommends the remuneration of Directors and Key Managerial Personnel, which is approved by the Board of Directors, subject to the approval of shareholders, where necessary. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the directors, key managerial personnel and other employees of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration to directors, key managerial personnel and senior management personnel should also involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The Remuneration Policy is placed on the Company's website [www.makerslabs.com](http://www.makerslabs.com).

Information about elements of remuneration package of individual directors is provided in the extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 which is enclosed.

**FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS**

Details of the familiarisation program of independent directors are disclosed on the website of the Company [www.makerslabs.com](http://www.makerslabs.com).

**MEETINGS OF THE BOARD AND COMMITTEES THEREOF**

This information has been furnished under Report on Corporate Governance, which is annexed.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- ii) that 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 the end of the financial year March 31, 2018 and of the profit of the Company for the financial year;
- iii) that your Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- iv) that your Directors have prepared the annual accounts on a going concern basis;

- v) that your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) that your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **CORPORATE GOVERNANCE**

As per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with the requirements of Corporate Governance in all material aspects.

A report on Corporate Governance (Annexure 1) together with a certificate of its compliance from the Practising Company Secretary, forms part of this report.

#### **FIXED DEPOSITS**

Your Company has not accepted any deposits from the public during the year under review and as such no amount of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

#### **AUDIT COMMITTEE**

Details of the Audit Committee along with its constitution and other details are provided in the Report on Corporate Governance.

#### **AUDITORS, AUDIT REPORT AND AUDITED ACCOUNTS**

M/s. Natvarlal Vepari & Co., Chartered Accountants (Firm Registration No. 106971W) were appointed as the Statutory Auditors at the 32<sup>nd</sup> Annual General Meeting (AGM) of the Company for a term of 5 (Five) years i.e. till the conclusion of 37<sup>th</sup> AGM and their appointment is subject to ratification at every AGM. The necessary resolution for ratification of their appointment is proposed to be passed by the members of the Company at the ensuing Annual General Meeting.

The Auditors' Report read with the notes to the accounts referred to therein are self-explanatory and therefore, do not call for any further comments. There are no qualifications, reservations or adverse remarks made by the Auditors.

#### **COST AUDIT**

Pursuant to the provisions of Section 148 of the Companies Act, 2013, M/s. Kale & Associates, Cost Accountants (Firm Registration. No. 001819) were appointed as the Cost Auditors to conduct audit of cost records of the Company for the financial year 2017-18.

The Cost Audit Report for the financial year 2016-17, which was due to be filed with the Ministry of Corporate Affairs by 22<sup>nd</sup> October, 2017 was filed on 9<sup>th</sup> October, 2017.

#### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Parikh & Associates, Practising Company Secretaries were appointed as the Secretarial Auditors for auditing the secretarial records of the Company for the financial year 2017-18.

The Secretarial Auditors' Report is annexed hereto. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditors.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The provisions of Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility (CSR) is not applicable to the Company.

**SAFETY, ENVIRONMENT AND HEALTH**

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

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The Company has not given any loans or guarantees or made investments in contravention of the provisions of the Section 186 of the Companies Act, 2013. The details of the loans and guarantees given and investments made by the Company are provided in the notes to the financial statements.

**RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of Company's business.

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company [http://www.makerslabs.com/pdf/Corporate\\_Policy\\_Related\\_Party\\_Transactions.pdf](http://www.makerslabs.com/pdf/Corporate_Policy_Related_Party_Transactions.pdf).

All the related party transactions are placed before the Audit Committee as well as the Board for approval on a quarterly basis. Omnibus approval was also obtained from the Audit Committee and the Board on an annual basis for repetitive transactions. Resolution of the shareholders is also obtained, wherever necessary, in this regard.

Related party transactions are disclosed in the notes to the financial statements. Prescribed 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 is furnished as Annexure 2 to this report.

**PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration and other details as set out in the said rules are provided as an Annexure 3 in this annual report. The Company had no employee drawing remuneration in excess of the amount as mentioned under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The necessary information in respect of top 10 employees of the Company in terms of remuneration drawn is furnished in Annexure.

However, having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information under explanation (2) to the above Rule is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours excluding Saturdays and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is available on the Company's website [www.makerslabs.com](http://www.makerslabs.com).

**CODE OF CONDUCT**

The Board has laid down a code of conduct for Board members and senior management personnel of the Company. The code also incorporates the duties of independent directors as laid down in the Companies Act, 2013. The said code of conduct is posted on Company's website [www.makerslabs.com](http://www.makerslabs.com). The Board members and senior management personnel have affirmed compliance with the said code of conduct. A declaration signed by the Wholetime Director / CEO is given at the end of this Report.

**WHISTLE BLOWER POLICY / VIGIL MECHANISM**

There is a Whistle Blower Policy in the Company and no personnel has been denied access to the Chairman of the Audit Committee. The policy provides for adequate safeguards against victimization of persons who use vigil mechanism. The Whistle Blowing Policy is posted on the website of the Company [www.makerslabs.com](http://www.makerslabs.com).

**PREVENTION OF INSIDER TRADING**

The Board at its meeting held on 29<sup>th</sup> May, 2015 has adopted a revised Code of Prevention of Insider Trading based on the SEBI (Prohibition of Insider Trading) Regulations, 2015. The same has been placed on the website of the Company [www.makerslabs.com](http://www.makerslabs.com).

All the Directors, senior management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under Report, there has been due compliance with the said code of conduct for prevention of insider trading.

**BUSINESS RISK MANAGEMENT**

Pursuant to the provisions of Section 134 of the Companies Act, 2013, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are provided in the Report on Corporate Governance, which is annexed.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant or material orders passed by any regulator, tribunal or court that would impact the going concern status of the Company and its future operations.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

In accordance with the requirements of Section 134 of the Companies Act, 2013, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is furnished as Annexure 4 to this report.

**EXTRACT OF ANNUAL RETURN**

In accordance with the requirements of Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an abstract of Annual Return in Form MGT-9 is furnished as Annexure 5 to this report.

**SECRETARIAL STANDARDS**

The Company has complied with all the applicable Secretarial Standards.

**ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation for the co-operation and support extended to the Company by its bankers. Your Directors also place on record their appreciation of the continued hard work put in by employees at all levels.

For and on behalf of the Board

Mumbai  
23<sup>rd</sup> May, 2018

**K. C. Jain**  
Director

**Saahil Parikh**  
Wholetime Director

## ANNEXURE 1

### REPORT ON CORPORATE GOVERNANCE

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, given below is a report on the Corporate Governance in the Company:

#### 1. Company's philosophy on Code of Corporate Governance is to ensure :

- i) that the Board and top management of the Company are fully apprised of the affairs of the Company that is aimed at assisting them in the efficient conduct of the Company's business so as to meet Company's obligation to the stakeholders.
- ii) that the Board exercises its fiduciary responsibilities towards shareholders and creditors so as to ensure high accountability.
- iii) that all disclosure of information to present and potential investors are maximised.
- iv) that the decision making process in the organisation is transparent and are backed by documentary evidences.
- v) The Company is in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance.

#### 2. Board of Directors

##### a) Composition and Category of directors

The present strength of the Board of Directors of the Company is 5 directors of which 1 is professional Non-Promoter Wholetime Director and 4 Directors who are Non-Executive Independent Directors (including one woman director) comprising of at least one half of the total strength of the Board with independent judgement in the deliberation and decisions of the Board.

##### b) Details of attendance of each director at the meeting of the board of directors and the last annual general meeting and shareholding held by them in the Company

Name of the Director	Category	No. of board meetings		Attendance at last AGM (27.07.2017)	No. of Equity shares held in the Company **
		Held	Attended		
Mr. K. C. Jain (DIN 00021239)	Non-Executive Independent Director	6	6	Yes	600
Mr. S. V. Loyalka (DIN 00016533)	Non-Executive Independent Director	6	5	Yes	Nil
Dr. Rajeshwar Singh (DIN 00347864)	Non-Executive Independent Director	6	6	Yes	Nil
Mr. Saahil Parikh (DIN 00400079)	Executive, Non Independent Director	6	6	Yes	660
Ms. Dipti Shah (DIN 07995542)	Non-Executive Independent Director (Appointed w.e.f. 29.01.2018)	6	1	No	Nil
Mrs. Purnima Jain (DIN 00937041)	Executive, Non Independent Director (Resigned w.e.f. 30.10.2017)	6	4	Yes	625

\*\* The above shareholding as at 31<sup>st</sup> March, 2018 is in respect of shares which are held by Directors as a first holder and in which shares they have beneficial interest.

**c) Number of other companies or committees of which the Director is Member or Chairperson**

Name of Director	No. of other companies in which Director (including private companies)	No. of committees in which Member (other than Makers)	No. of committees of which he/she is Chairman (other than Makers)
Mr. K. C. Jain	1	None	None
Mr. S. V. Loyalka	7	None	None
Dr. Rajeshwar Singh	None	None	None
Ms. Dipti Shah	None	None	None
Mr. Saahil Parikh	None	None	None
Mrs. Purnima Jain (Resigned w.e.f. 30.10.2017)	None	None	None

Every Director informs the Company about the Committee positions he or she occupies in the other listed entities and any changes in them as and when they take place, if any.

**d) Number of meetings of the board of directors held during the financial year 2017-18 and dates on which held**

6 (Six) board meetings were held during the Financial Year 2017-18. The dates on which the said meetings were held are as follows:

11 <sup>th</sup> May, 2017	10 <sup>th</sup> August, 2017	22 <sup>nd</sup> September, 2017
27 <sup>th</sup> October, 2017	14 <sup>th</sup> November, 2017	29 <sup>th</sup> January, 2018

The last Annual General Meeting of the Company was held on 27<sup>th</sup> July, 2017.

**e) Disclosure of relationships between directors inter-se**

None of the Directors are related to each other.

**f) Number of shares and convertible instruments held by Non-Executive Directors**

This information about number of shares held by Non-Executive Directors in the Company is given in table above. None of the Directors hold any convertible instruments of the Company.

**g) Web link where details of familiarisation programmes imparted to independent directors is disclosed**

The Company has conducted familiarisation programs for the Independent Directors with regards to their role, rights and responsibilities as Independent Directors. The Independent Directors are also regularly briefed on the nature of the pharmaceuticals industry and the Company's business model. The familiarisation programs have been uploaded on the website of the company at <http://www.makerslabs.com/pdf/appointment/Familiarisation-Programs-for-2017-18.pdf>.

**3. Audit Committee**

**a) Brief description of terms of reference**

The terms of reference to this Committee, inter-alia, covers all the matters specified under Section 177 of the Companies Act, 2013 and also all the matters listed under Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 such as oversight of the Company's financial reporting process; recommending the appointment/re-appointment, remuneration and terms of appointment of statutory auditors; review and monitor the Auditors independence and performance and effectiveness of audit process; approval of transactions with related parties; sanctioning of loans and investments; evaluation of internal financial control and risk management system; reviewing with the management annual financial statements and Auditors report thereon; quarterly financial statements and other matters as covered under role of Audit

Committee in Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee has powers, inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company as well as seek outside legal and professional advice.

The Audit committee reviews all the information that is required to be mandatorily reviewed by it under the corporate governance.

**b) Composition, name of members and chairperson**

The Audit Committee of the Company currently comprises of Mr. K. C. Jain, Chairman of the Committee, Dr. Rajeshwar Singh, Mr. S. V. Loyalka and Ms. Dipti Shah, all being Independent Directors with independent judgment in the deliberation and decisions of the Board as well as Audit Committee. Mr. Saahil Parikh, Wholetime Director / CEO and Mr. Sandeep Kadam, Manager – Accounts / CFO who is in-charge of Finance function of the Company along with Statutory Auditors, Internal Auditors and Cost Auditors are invitees to the meetings of the Audit Committee.

Ms. Khyati Danani, Company Secretary is the Secretary of this Committee.

M/s. Agarwal & Mangal, Chartered Accountants are appointed as the Internal Auditors of the Company under the provisions of Section 138 of the Companies Act, 2013.

**c) Audit Committee meetings and the attendance during the financial year 2017-18**

There were 6 (Six) meetings of the Audit Committee during the Financial Year 2017-18. The gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

11 <sup>th</sup> May, 2017	10 <sup>th</sup> August, 2017	22 <sup>nd</sup> September, 2017
27 <sup>th</sup> October, 2017	14 <sup>th</sup> November, 2017	29 <sup>th</sup> January, 2018

The attendance of each member of the Audit Committee in the committee meetings is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. K. C. Jain	6	6
Mr. S. V. Loyalka	6	5
Dr. Rajeshwar Singh	6	6
Ms. Dipti Shah (Appointed w.e.f. 29.01.2018)	6	-

The previous annual general meeting of the Company was held on 27<sup>th</sup> July, 2017 and was attended by Mr. K. C. Jain, Chairman of the Audit committee.

**4. Nomination and Remuneration Committee**

**a) Brief description of terms of reference**

- i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. formulation of criteria for evaluation of performance of independent directors and the board of directors;
- iii. devising a policy on diversity of board of directors;
- iv. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal; and
- v. whether to extend or continue the term of appointment of the independent directors on the basis of the report of performance evaluation of independent directors.

**b) Composition, name of members and chairperson**

The Company has a Nomination and Remuneration Committee of the Board which currently comprises of Mr. K.C. Jain, Chairman of the Committee, Mr. S. V. Loyalka and Dr. Rajeshwar Singh, all independent directors to function in the manner and to deal with the matters specified in Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also to review the overall compensation structure and policies of the Company to attract, motivate and retain employees.

The Nomination and Remuneration Committee has adopted the following policies which are displayed on the website of the Company:

- i. Formulation of the criteria to recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees ([http://www.makerslabs.com/pdf/Corporate\\_Policy/Remuneration\\_Policy .pdf](http://www.makerslabs.com/pdf/Corporate_Policy/Remuneration_Policy.pdf)).
- ii. Formulation of criteria for evaluation of Independent Directors and the Board ([http://www.makerslabs.com/pdf/Corporate\\_Policy/Evaluation\\_of\\_Directors.pdf](http://www.makerslabs.com/pdf/Corporate_Policy/Evaluation_of_Directors.pdf)).
- iii. Devising a policy on Board diversity ([http://www.makerslabs.com/pdf/Corporate\\_Policy/Policy\\_on\\_Board\\_Diversity\\_of\\_the\\_Company .pdf](http://www.makerslabs.com/pdf/Corporate_Policy/Policy_on_Board_Diversity_of_the_Company.pdf)).
- iv. Oversee the familiarization programmes for directors ([http://www.makerslabs.com/pdf/appointment/Familiarisation\\_Programme\\_for\\_Independent\\_Directors.pdf](http://www.makerslabs.com/pdf/appointment/Familiarisation_Programme_for_Independent_Directors.pdf)).
- v. 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 ([http://www.makerslabs.com/pdf/Corporate\\_Policy/ Criteria\\_for\\_selection\\_of\\_Candidates\\_for\\_Senior\\_Management\\_and\\_Members\\_on\\_the\\_Board .pdf](http://www.makerslabs.com/pdf/Corporate_Policy/ Criteria_for_selection_of_Candidates_for_Senior_Management_and_Members_on_the_Board.pdf)).

**c) Meeting and attendance during the financial year 2017-18**

There were 3 (Three) meetings of this Committee during the Financial Year 2017-18. The dates on which the said meetings were held are as follows:

11 <sup>th</sup> May, 2017	27 <sup>th</sup> October, 2017	29 <sup>th</sup> January, 2018
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The attendance of each member of the Nomination and Remuneration Committee in the committee meetings is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. K. C. Jain	3	3
Mr. S. V. Loyalka	3	3
Dr. Rajeshwar Singh	3	3

**d) Performance evaluation criteria for independent directors**

Performance criteria for evaluation of Independent Directors and the Board is displayed on the Company's website (weblink [http://www.makerslabs.com/pdf/Corporate\\_Policy/Evaluation\\_of\\_Directors.pdf](http://www.makerslabs.com/pdf/Corporate_Policy/Evaluation_of_Directors.pdf)).

**5. Remuneration of Directors**

**a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity shall be disclosed in the annual report**

During the financial year under report, the non-executive Directors had no pecuniary relationship or transactions with the Company.

**b) Criteria of making payments to non-executive directors**

The non-executive Directors are paid only sitting fees and re-imbursement of out of pocket expenses incurred for attending the meetings of the Board of Directors and Committees thereof.



Details of payments made to Non-Executive Directors in the Financial Year 2017-18 are as under:

Name of the Director	Sitting fees Paid (₹)	Commission paid (₹)
Mr. K. C. Jain	1,20,000	Nil
Mr. S. V. Loyalka	95,000	Nil
Dr Rajeshwar Singh	1,20,000	Nil
Ms. Dipti Shah (Appointed w.e.f 29.01.2018)	15,000	Nil

None of the Independent Directors have received any remuneration or commission from Company's holding or subsidiary companies.

**c) Disclosures with respect to remuneration paid / payable to Wholetime Directors for the financial year 2017-18**

i. The details of the remuneration paid/payable to Wholetime Directors for the Financial Year 2017-18 are given below

Name of Directors	Salary*	Benefits / Perquisites / Pension etc.*	Commission (performance linked)	Stock Options	Post Employment Benefits (Gratuity / Leave encashment)	Total (₹)
Mrs. Purnima Jain (Whole time Director/CEO) (upto 29.10.2017)	22,08,976	Nil	Nil	Nil	36,80,768	58,89,744
Mr. Saahil Parikh (Wholetime Director/CEO)	36,39,296	1,10,800	Nil	Nil	Nil	37,50,096

\* Fixed Component

ii. Details of fixed component and performance linked incentives, along with the performance criteria

The required details are given in the table above.

iii. Service contracts, notice period, severance fees

The appointment of Whole-time Directors is contractual and is generally for a period of 3 years. The Company has entered into agreement with Mrs. Purnima Jain on 28<sup>th</sup> August, 2014 which was valid upto 29<sup>th</sup> October, 2017 and with Mr. Saahil Parikh on 11<sup>th</sup> May, 2017 which is valid upto 10<sup>th</sup> August, 2020. Either party is entitled to terminate the agreement by giving not less than 30 days / 60 days notice in writing to the other party. There is no separate provision for payment of severance fee in the agreements signed by the Company with them.

iv. Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable

The Company currently has no outstanding stock options or other convertible instruments.

## 6. Stakeholders Relationship Committee

### a) Name of Non-Executive Director heading the committee

The Stakeholders Relationship Committee currently comprises of Mr. K. C. Jain, Non-Executive / Independent Director, Chairman of the Committee, Dr. Rajeshwar Singh, Non-Executive Independent Director and Mr. Saahil Parikh, Wholetime Director/CEO.

### Meetings held and attendance during the financial year 2017-18

There were 2 (Two) meetings of this committee during the financial year 2017-18. The dates on which the said meetings were held are as follows:

11 <sup>th</sup> May, 2017	10 <sup>th</sup> August, 2017
----------------------------	-------------------------------

The attendance of each member of the Stakeholders Relationship Committee in the committee meetings is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. K. C. Jain	2	2
Dr. Rajeshwar Singh	2	2
Ms. Purnima Jain (Resigned w.e.f. 30.10.2017)	2	2
Mr. Saahil Parikh (Appointed w.e.f 30.10.2017)	2	0

### b) Name and designation of Compliance officer

Ms. Khyati Danani, Company Secretary is the Compliance Officer of the Company.

### c) Number of shareholders' complaints received

During the year, the Company received 3 complaints/communications from the shareholders, mostly regarding non-receipt of dividend warrants posted, non-receipt of annual report posted, etc. all of which are attended to.

### d) Number not solved to the satisfaction of shareholders

The Company had no unattended request pending for transfer of its equity shares or any unattended complaints at the close of the financial year.

### e) Number of pending complaints

Nil

## 7. General Body Meetings

### a) Details of the location and time where the last three Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) were held

AGM for the financial year ended	Day, Date & Time of AGM	Place of AGM	Special Resolutions Passed
31-3-2017	Thursday, 27 <sup>th</sup> July, 2017 at 11.00 a.m.	Anand Mangal Hall, Plot No. 150, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai- 400 067	• None
31-3-2016	Tuesday, 9 <sup>th</sup> August, 2016 at 11.00 a.m.	Anand Mangal Hall, Plot No. 150, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai- 400 067	• None

AGM for the financial year ended	Day, Date & Time of AGM	Place of AGM	Special Resolutions Passed
31-3-2015	Tuesday, 4 <sup>th</sup> August, 2015 at 11.00 a.m.	Plot No. 47, Kandivli Industrial Estate, Charkop, Kandivli (West), Mumbai-400 067	<ul style="list-style-type: none"> <li>Adoption of new Articles of Association</li> </ul>

All the resolutions including special resolutions set out in the respective notices calling the AGM were passed by the shareholders.

There is no proposal to pass any special resolution through postal ballot at the ensuing Annual General Meeting.

**b) Whether any special resolutions passed in the previous three annual general meetings**

Details of special resolutions passed in the previous 3 Annual General Meetings are given in the table above.

**c) Whether any special resolution passed last year through postal ballot**

No special resolution was passed in the last financial year using postal ballot.

**d) Person who conducted the postal ballot exercise**

Not Applicable

**e) Whether any special resolution is proposed to be conducted through postal ballot**

No special resolution is currently proposed to be conducted through postal ballot.

**f) Procedure for postal ballot**

Not applicable since no resolution is currently proposed to be passed through postal ballot.

**8. Means of communication**

a) Quarterly / Annual Results	:	The results of the Company are submitted to the stock exchanges where the shares of the Company are listed and published in the newspapers after the approval of the Board.
b) Newspapers wherein results normally published	:	The Financial Express, Free Press Journal and Nav Shakti.
c) Website, where displayed	:	www.makerslabs.com
d) Whether website also displays official news releases	:	Yes
e) Presentation made to institutional investors or to the analysts	:	Presentations were not made to institutional investors or analysts during the financial year 2017-18.

**9. General Shareholders Information**

- a) AGM : Date, Time and Venue : Thursday, 2<sup>nd</sup> August, 2018 at 11.00 a.m. at Anand Mangal Hall, Plot No. 150, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai – 400 067
- b) Financial Year : 1<sup>st</sup> April –31<sup>st</sup> March  
 First quarter results : first week of August\*  
 Second quarter results : first week of November\*  
 Third quarter results : first week of February\*  
 Annual results : last week of May\*  
 \* tentative

- c) Dividend Payment dates : The Company has not paid any interim dividend on the equity share capital for the financial year 2017-18. It is now proposed to recommend a dividend of ₹ 1/- per share (10%) on equity share capital for the financial year 2017-18 which if sanctioned will be paid on or before 30<sup>th</sup> August, 2018.
- Date of Book closure : Saturday, 28<sup>th</sup> July, 2018 to Thursday, 2<sup>nd</sup> August, 2018 (both days inclusive).
- d) The name and address of each stock exchange(s) at which the Company's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s) : BSE Ltd. (BSE)  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400 023  
  
Listing fees has been paid to BSE for the financial year 2018-19 in April, 2018. The fees of the depositories for the financial year 2017-18 were also paid in April/May 2018 on receipt of their invoices.
- e) Stock code – Physical and ISIN Number for NSDL and CDSL : 506919 on BSE  
INE 987A01010  
Corporate Identity Number allotted by Ministry of Corporate Affairs : L24230MH1984PLC033389
- f) Market price data: high, low during each month in last financial year : Please see Annexure 'A'
- g) Stock performance in comparison to BSE Sensex : Please see Annexure 'B'
- h) In case the securities are suspended from trading, the directors report shall explain the reason thereof : The securities of the Company are not suspended from trading by the Stock Exchange.
- i) Registrars and share transfer agents : Link Intime India Private Limited  
C-101, 247 Park,  
LBS Marg, Vikhroli (West)  
Mumbai – 400 083  
Tel. No. (022) 4918 6000  
Fax. No.(022) 4918 6060
- j) Share transfer system : All share transfers subject to correctness and completion of all documents would normally be registered and returned within fifteen days from the date of receipt.
- k) Distribution of shareholding/ shareholding pattern as on 31.3.2018 : Please see Annexure 'C'
- l) Dematerialisation of shares and liquidity : 95.01% of the paid-up share capital has been dematerialised as on 31<sup>st</sup> March, 2018.
- m) Outstanding GDRs/ADRs/warrants/ convertible instruments, conversion date and likely impact on equity : Not applicable since none of the said instruments are ever issued.

- n) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities : The Company is not materially exposed to commodity price / foreign exchange risk. The Company also does not carry out any commodity or currency hedging activities.
- o) Plant Locations : Plot No. 29/3, Phase III  
GIDC Industrial Estate  
Naroda, Ahmedabad – 382 330  
Gujarat
- p) Address for Correspondence : Ms. Khyati Danani  
Company Secretary  
Makers Laboratories Limited  
54D, Kandivli Industrial Estate  
Kandivli (W), Mumbai 400 067  
E-mail: investors@makerslabs.com  
Tel: (022) 2868 8544  
Fax: (022) 2868 8544
- q) Share transfer and other communications may be addressed to the Registrars : Link Intime India Private Limited  
C-101, 247 Park,  
LBS Marg, Vikhroli (West)  
Mumbai – 400 083  
Tel. No. (022) 4918 6000  
Fax. No.(022) 4918 6060

#### 10. Other Disclosures

**a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large**

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company (Weblink [http://www.makerslabs.com/pdf/ Corporate\\_Policy / Related\\_Party\\_Transactions.pdf](http://www.makerslabs.com/pdf/Corporate_Policy/Related_Party_Transactions.pdf)). There were no materially significant related party transactions during the year that may have potential conflict with the interest of the Company.

The Register of Contracts containing the related party transactions is placed before the Board and Audit Committee regularly for its approval. Disclosures from directors and senior management staff have been obtained to the effect that they have not entered into any material, financial and commercial transactions where they have personal interest that may have potential conflict with the interest of the Company at large.

Transactions with the related parties are disclosed in the notes to the accounts forming part of this Annual Report.

**b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or the board or any other statutory authorities on any matter related to capital market during the last 3 financial years**

None

**c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee**

There is a Whistle Blower Policy in the Company and that no personnel has been denied access to the Chairman of the Audit Committee. The policy provides for adequate safeguards against victimization of persons who use vigil mechanism. The Whistle Blowing Policy is posted on the website of the Company [www.makerslabs.com](http://www.makerslabs.com).

**d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;**

The Company has complied with all the applicable mandatory requirements of corporate governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details about adoption of non-mandatory requirements are given in the table below.

**e) Web link where policy for determining ‘material’ subsidiaries is disclosed**

The Company does not have any subsidiary company.

**f) Web link where policy on dealing with related party transactions is disclosed**

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company (Weblink [http://www.makerslabs.com/pdf/ Corporate\\_Policy / Related\\_Party\\_Transactions.pdf](http://www.makerslabs.com/pdf/Corporate_Policy_Related_Party_Transactions.pdf)).

**g) Disclosure of commodity price risks and commodity hedging activities**

The Company is engaged in the manufacturing and marketing of pharmaceuticals. Since the Company does not consume large quantities of commodities in its manufacturing activities, the Company is not materially exposed to commodity price risks nor does the Company do any commodity hedging.

**h) Non-Compliance of any requirement of Corporate Governance Report with reasons thereof**

None

**11. Adoption of Discretionary Requirements**

A. The Board	The Company currently does not have a Chairman of the Board of Directors.
B. Shareholders Rights	At present, the Company does not send the statement of half yearly financial performance to the household of each shareholder.
C. Modified opinion(s) in audit report	The Company’s financial statements are with unmodified audit opinion.
D. Separate posts of chairperson and chief executive officer	Currently, the Company does not have a Chairman of the Board.
E. Reporting of internal auditor	The Internal Auditor reports to the Wholetime Director / CEO as well as to the Audit Committee.

**12. The disclosures 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**

a) The Company has a process to provide, inter-alia, the information to the Board as specified in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to Corporate Governance. The Board also periodically reviews the compliances by the Company of all applicable laws.

b) The Board of Directors in their meeting regularly discuss and are satisfied that the Company has plans in place for orderly succession for appointment to the Board of Directors and Senior Management.

c) Code of Conduct for Board and Senior Managerial Personnel

The Board has laid down a code of conduct for Board members and senior management personnel of the Company. The code also incorporates the duties of independent directors as laid down in the Companies Act, 2013. The said code of conduct is posted on Company’s website [www.makerslabs.com](http://www.makerslabs.com).

The Board members and senior management personnel have affirmed compliance with the said code of conduct. A declaration in this regard signed by the Wholetime Director / CEO is given at the end of this Report.

The Company has adopted a code of conduct for prevention of insider trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. The same has been placed on the website of the Company [www.makerslabs.com](http://www.makerslabs.com). All the Directors, senior management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under Report, there has been due compliance with the said code of conduct for prevention of insider trading.

- d) The Company complies with the requirement of placing minimum information before the Board of Directors as contained in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.
- e) The CEO/CFO compliance certification under Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.
- f) The Company has a Risk Management Committee which monitors and reviews risk management plan on regular basis. The Board of Directors also periodically reviews and monitor the risk management plan of the Company.
- g) The Board on an annual basis evaluates the performance of Independent Directors.
- h) Risk Management Committee

Due to the resignation of Ms. Purnima Jain with effect from 30<sup>th</sup> October, 2017, the Risk Management Committee was re-constituted by the Board of Directors at its meeting held on 27<sup>th</sup> October, 2017 and now consists of the following members:

Mr. Saahil Parikh, Wholetime Director/CEO, Mr. Sandeep Kadam, Manager Accounts/CFO and Ms. Khyati Danani, Company Secretary.

The roles and responsibilities of the Risk Management Committee are as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes monitoring and review of risk management plan on a quarterly basis and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred to them by the Board of Directors, from time to time.

The risk management policy is displayed on the Company's website (weblink [http://www.makerslabs.com/pdf/Corporate\\_Policy/Risk\\_Management\\_Policy.pdf](http://www.makerslabs.com/pdf/Corporate_Policy/Risk_Management_Policy.pdf)).

There was one (1) meeting of the Risk Management Committee held during the financial year 2017-18. The date on which the said meeting was held is as follows:

10 <sup>th</sup> August, 2017
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The attendance of each member of the Risk Management Committee in the committee meetings is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Saahil Parikh	1	1
Mr. Sandeep Kadam	1	1
Ms. Khyati Danani (Appointed w.e.f. 30.10.2017)	1	-
Ms. Purnima Jain (Resigned w.e.f. 30.10.2017)	1	1

- i) The Company has formulated a policy on materiality of related party transactions and dealing with related party transactions which is available on the website of the Company (weblink [http://www.makerslabs.com/pdf/Corporate\\_Policy/Policy\\_for\\_Determination\\_of\\_Materiality\\_of\\_Event.pdf](http://www.makerslabs.com/pdf/Corporate_Policy/Policy_for_Determination_of_Materiality_of_Event.pdf)).
- j) All related party transactions entered into by the Company with related parties are at an arms length basis and in the ordinary course of Company's business. Transactions with related parties are disclosed under notes forming part of the accounts. The Board and the Audit Committee periodically reviews the details of the related party transactions entered into by the Company. Omnibus approval from the Audit Committee is also obtained before entering into related party transactions.
- k) No employee including Key Managerial Personnel or Director or Promoter of the Company has entered into any agreement for himself or on behalf of other person with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

l) **Subsidiary Companies**

The Company does not have any subsidiary company.

- m) None of the Directors are directors in more than 20 companies at the same time and are also not serving as independent director in more than 7 listed companies or serve as Wholetime Director in any other listed company. None of the Wholetime Directors of the Company serve as Independent Director in more than 3 listed entities.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which they are Directors. All directors have disclosed their committee positions to the Company. For determining this limit, Chairpersonship and Membership of Audit Committee and Stakeholders Relationship Committee only are considered.

The Shareholders have approved the appointment of Mr. K. C. Jain, Mr. S. V. Loyalka and Dr. Rajeshwar Singh as Independent directors for a term of five years w.e.f 1<sup>st</sup> April, 2014. The terms and conditions of appointment of independent directors have been disclosed on the website of the Company [www.makerslabs.com](http://www.makerslabs.com). The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and the rules made thereunder.

Ms. Dipti Shah was appointed as an Independent Director of the Company for a period of 5 years w.e.f 29<sup>th</sup> January, 2018. Terms and conditions of her appointment as an Independent Director is posted on the Company's website. Necessary approval of the shareholders for her appointment as an Independent Director is being sought at the ensuing Annual General Meeting of the Company.

In accordance with requirements of Section 149(6) and (7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the independent directors have given declaration of independence in the first board meeting of the current financial year held on 23<sup>rd</sup> May, 2018.

n) **Independent Directors Meeting**

During the financial year under review, the Independent Directors met on 29<sup>th</sup> January, 2018 without the attendance of non-independent directors and members of the management, inter-alia, to discuss:

- i. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;



- ii. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the said meeting.

- o) The Company maintains a functional website containing the basic information about the Company. The Company has disseminated all the required information on its website as required under Regulation 46 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- p) Information on Directors retiring by rotation and seeking appointment / re-appointment

**Mr. Saahil Parikh (DIN 00400079)**

Mr. Saahil Parikh aged 43 years has done his Bio-Chemistry from Gujarat University. He has also done his Diploma in Management Studies from Ahmedabad Management Association. He has about 22 years of experience in pharma production, quality control, projects and general management.

He holds 660 equity shares of the Company.

He does not hold Directorship in any other Company.

He is not related to any Director or Key Managerial Personnel of the Company.

Number of Board Meetings held and attended by him during his tenure as Director of the Company are given in the Corporate Governance Report of the respective financial year annexed with the Company's Annual Reports which are available on the Company's website [www.makerslabs.com](http://www.makerslabs.com).

**Ms. Dipti Shah (DIN 0799542)**

Ms. Dipti Shah, aged 44 years is by qualification B.Com and LL.B and is practising as an Advocate at The High Court of Judicature at Mumbai and as Solicitor from England & Wales.

She does not hold any equity shares of the Company.

She does not hold Directorship in any other Company.

She is not related to any Director or Key Managerial Personnel of the Company.

She is a member of the Audit Committee of the Board.

Number of Board Meetings held and attended by her during her tenure as Director of the Company are given in the Corporate Governance Report attached herewith.

- q) Reconciliation of Share Capital Audit:

A qualified practicing Company Secretary carries 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 shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

## Annexure A

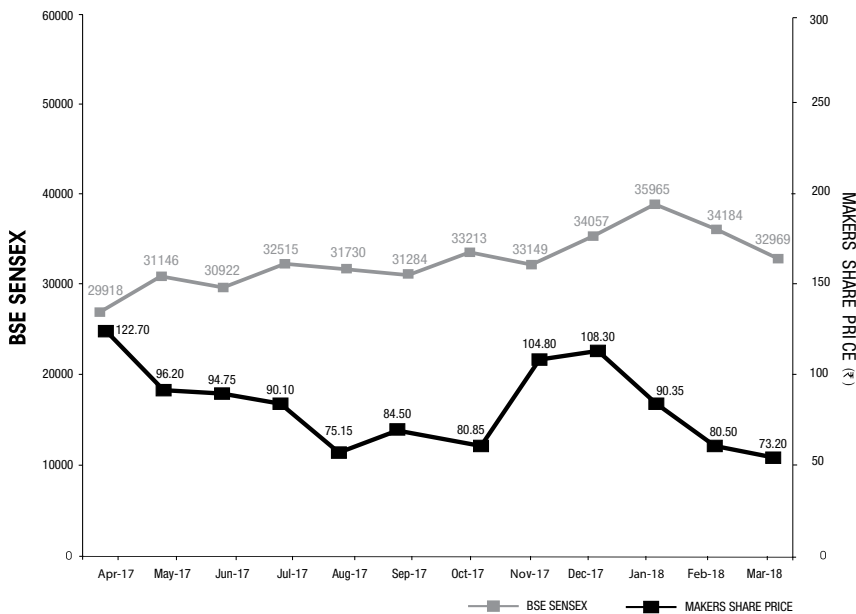
High/Low of Market price of the Company's shares traded on BSE Ltd. (BSE) during the financial year 2017-18 is furnished below:

Year	Month	Highest (₹)	Lowest (₹)	
2017	April	144.00	97.65	
	May	129.00	92.55	
	June	115.00	87.05	
	July	100.95	86.10	
	August	93.95	72.00	
	September	96.40	72.20	
	October	95.50	80.00	
	November	106.50	81.00	
	December	114.00	93.05	
	2018	January	115.30	89.25
		February	93.35	70.20
		March	83.90	66.30

## Annexure B

Graph of Share Price/ BSE Sensex

BSE Sensex / Share Price



### Annexure C

The distribution of shareholding as on 31 <sup>st</sup> March, 2018 is as follows :						
No. of equity shares held			No. of shareholders	%	No. of shares	%
Upto		500	3793	85.03	592029	12.04
501	to	1000	391	8.76	307637	6.26
1001	to	2000	152	3.41	231804	4.71
2001	to	3000	41	0.92	102158	2.08
3001	to	4000	10	0.22	33955	0.69
4001	to	5000	15	0.34	70393	1.43
5001	to	10000	32	0.72	204512	4.16
10001	&	above	27	0.60	3374492	68.63
Grand Total			4461	100.00	4916980	100.00
No. of shareholders in Physical Mode			1163	26.07	245300	4.99
No. of shareholders in Electronic Mode			3298	73.93	4671680	95.01

Shareholding pattern as on 31 <sup>st</sup> March, 2018 is as follows :			
Category	No. of shareholders	No. of shares	% holding
Indian Promoters	12	2869947	58.37
Banks and Insurance Companies	1	100	0
FIs and Mutual Funds	0	0	0
NRI	103	67101	1.36
Domestic Companies	51	97791	1.99
Resident Individuals / Others	4294	1882041	38.28
Total	4461	4916980	100.00

**CEO CERTIFICATION**

To,  
All the Members of  
Makers Laboratories Ltd.

23<sup>rd</sup> May, 2018

It is hereby certified and confirmed that as provided in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31<sup>st</sup> March, 2018.

For Makers Laboratories Limited

Saahil Parikh  
Wholetime Director / CEO

**CEO/CFO CERTIFICATION**

The Board of Directors  
Makers Laboratories Limited  
54-D, Kandivli Industrial Estate,  
Kandivli - (West), Mumbai – 400 067

23<sup>rd</sup> May, 2018

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2018 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transaction is entered into by the Company during the year which is 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 the internal control systems of the Company 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 and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Makers Laboratories Limited

Saahil Parikh  
Wholetime Director / CEO

Sandeep Kadam  
Manager - Accounts / CFO

**PRACTISING COMPANY SECRETARIES' CERTIFICATE  
ON CORPORATE GOVERNANCE**

TO THE MEMBERS OF  
MAKERS LABORATORIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by Makers Laboratories Limited ('the Company') for the year ended on March 31, 2018, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2018.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
Practising Company Secretaries

Jigyasa N. Ved  
Partner  
FCS: 6488 CP: 6018

Mumbai, May 23, 2018

**DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

a)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	None
b)	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	0
c)	Number of shareholders to whom shares were transferred from suspense account during the year	0
d)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	No. of shares – 52,848 No. of shareholders - 318
e)	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares

**ANNEXURE 2****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/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis:
  - (a) Name(s) of the related party and nature of relationship: Not Applicable
  - (b) Nature of contracts/arrangements/transactions: Not Applicable
  - (c) Duration of the contracts / arrangements/transactions: Not Applicable
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
  - (f) Date(s) of approval by the Board: Not Applicable
  - (g) Amount paid as advances, if any: Not Applicable
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis:
  - (a) Name(s) of the related party and nature of relationship: M/s. Ipca Laboratories Ltd., companies promoted by same promoters.
  - (b) Nature of contracts/arrangements/transactions:
    - i. Purchase/ sale of materials, capital goods, plant & machineries, packing materials, etc. at a market determined price that would be generally agreed by the trade / industry for similar nature of transaction.
    - ii. Availing of/rendering of manufacturing and other services at a price that would be generally charged in the trade / industry for that particular type of service.
    - iii. Provision of common services at proportionate cost.
  - (c) Duration of the contracts / arrangements/transactions: Continuous transactions on an ongoing basis.
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Purchase/ sale of materials, capital goods, plant & machineries, packing materials, manufacturing on loan license basis, etc. on arm's length basis. Please see attached notes to the accounts for details.
  - (e) Date(s) of approval by the Board, if any: 27<sup>th</sup> May, 2016
  - (f) Date of approval of shareholders: 9<sup>th</sup> August, 2016
  - (g) Amount paid as advances, if any: None

Note: All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of Company's business. Details of related party transactions are given in the notes to the Accounts attached herewith.

For and on behalf of the Board

Mumbai,  
23<sup>rd</sup> May, 2018

Saahil Parikh  
Wholtime Director

K. C. Jain  
Director

### ANNEXURE 3

DETAILS OF REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 is as under:

Sr. No.	Name of the Director / Key Managerial Personnel and Designation	Remuneration of Director / KMP for the financial year 2017-18 (₹)	% increase/ (decrease) in remuneration in the financial year 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1.	Mrs. Purnima Jain* (Wholetime Director) (Resigned w.e.f 30.10.2017)	58,89,744	Not measurable. Current year earnings is for part of the year and includes gratuity/leave encashment payment	28.55
2.	Mr. Saahil Parikh (Wholetime Director/CEO)	37,50,096	13.96%	18.18
3.	Mr. Sandeep Kadam (Manager - Accounts / CFO) (Appointed as CFO w.e.f 30.10.2017)	3,19,465	-	1.55
4.	Mr. K. C. Jain (Director)	1,20,000	5.56%	0.58
5.	Mr. S. V. Loyalka (Director)	95,000	5.56%	0.46
6.	Dr Rajeshwar Singh (Director)	1,20,000	0%	0.58
7.	Ms. Dipti Shah (Director) (Appointed w.e.f 29.01.2018)	15,000	-	0.07
8.	Ms. Khyati Danani (Company Secretary )	10,45,730	Not measurable as previous year remuneration was for part of the year.	5.07

\*Includes payment of gratuity / leave encashment of ₹ 36,80,768/- upon retirement.

- ii. The median remuneration of the employees of the Company during the financial year was ₹ 2,06,309/-.
- iii. In the financial year, there was a increase of 9.48% in the median remuneration of employees.
- iv. There were 121 permanent employees on the rolls of Company as on March 31, 2018.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 9.56% whereas the increase in the managerial remuneration for the same financial year was 36.30%.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board

Mumbai,  
23<sup>rd</sup> May, 2018

Saahil Parikh  
Wholetime Director

K. C. Jain  
Director

**ANNEXURE 4****1. CONSERVATION OF ENERGY****(i) The steps taken or impact on conservation of energy :**

During the year under review all possible efforts were made to ensure optimum conservation of electricity and fuel at the manufacturing plants of the Company.

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

Presently none.

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

The Company has not spent any material capital investment on energy conservation equipments except some investment on energy conservation consumables.

**2. TECHNOLOGY ABSORPTION**

Research & Development

**(A) Specific areas in which R&D work was carried out by the Company:**

The Company has recently started R&D activities at its Ahmedabad manufacturing unit. The Company is currently in the process of developing ophthalmic range of formulations.

**(B) Benefits derived as a result of the above R&D:**

The Company has just started its R&D activities benefits of which will come in future years.

**(C) Future Plan of Action :**

Development of more range of ophthalmic range formulations, initially for the domestic market.

**(D) Expenditure incurred on R&D:**

	<b>2017-18 (₹ lacs)</b>	<b>2016-17 (₹ lacs)</b>
a) Capital	22.24	35.60
b) Revenue	16.25	2.20
c) Total	38.49	37.80
d) R & D expenditure as a percentage of turnover	0.69%	0.64%

**(E) Imported technology (imported during last 5 years):**

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

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange Earnings – Nil.

Foreign Exchange Expenditure - ₹ 24,88,647/-

Mumbai,  
23<sup>rd</sup> May, 2018

For and on behalf of the Board

Saahil Parikh  
Wholetime Director

K. C. Jain  
Director



## ANNEXURE 5

### Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L24230MH1984PLC033389
- ii) Registration Date: 09.07.1984
- iii) Name of the Company: Makers Laboratories Limited
- iv) Category / Sub-Category of the Company: Company limited by shares
- v) Address of the Registered office and contact details:  
54D, Kandivli Industrial Estate,  
Kandivli (W),  
Mumbai – 400067.  
Tel: 022 – 2868 8544; e-mail: investors@makerslabs.com; website: www.makerslabs.com
- vi) Whether listed company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
Link Intime India Private Limited  
C 101, 247 Park, L B S Marg, Vikhroli West,  
Mumbai 400 083.  
Tel: 022 – 49186270; e-mail: rnt.helpdesk@linkintime.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Pharmaceuticals	21002	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NONE					

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	392895	--	392895	7.99	392895	--	392895	7.99	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt. (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	2477052	--	2477052	50.38	2477052	--	2477052	50.38	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (1):-</b>	<b>2869947</b>	<b>--</b>	<b>2869947</b>	<b>58.37</b>	<b>2869947</b>	<b>--</b>	<b>2869947</b>	<b>58.37</b>	<b>--</b>

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (2):-</b>	--	--	--	--	--	--	--	--	--
<b>Total shareholding of Promoter (A) = (A)(1) + A(2)</b>	2869947	--	2869947	58.37	2869947	--	2869947	58.37	--
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	100	--	100	0.00	100	--	100	0.00	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt. (s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1):-</b>	100	--	100	0.00	100	--	100	0.00	--
<b>(2) Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	101725	2810	104535	2.13	96441	1350	97791	1.99	(0.14)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1077036	291528	1368564	27.83	1166332	190280	1356612	27.59	(0.24)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	402752	10650	413402	8.41	330808	10650	341458	6.94	(1.46)
c) Others (specify)									
(c-i) Clearing Member	13530	--	13530	0.28	10597	--	10597	0.22	(0.06)
(c-ii) Market Maker	100	--	100	0.00	540	--	540	0.01	0.01
(c-iii) HUF	73454	--	73454	1.49	71528	--	71528	1.45	(0.04)
(c-iv) Foreign Holding									
NRI (Repatriate)	12625	49560	62185	1.26	15822	43020	58842	1.20	(0.06)
NRI (Non Repatriate)	11163	--	11163	0.23	8259	--	8259	0.17	(0.06)
(c-v) Unclaimed Shares Suspense A/c	--	--	--	--	52848	--	52848	1.07	1.07
(c-vi) IEPF Authority	--	--	--	--	48458	--	48458	0.99	0.99
<b>Sub-total (B)(2):-</b>	1692385	354548	2046933	41.63	1801633	245300	2046933	41.63	--
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	1692485	354548	2047033	41.63	1801733	245300	2046933	41.63	--
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	4562432	354548	4916980	100.00	4671680	245300	4916980	100.00	--

**ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)			Share holding at the end of the year (31.03.2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Prashant Godha	94375	1.92	--	94375	1.92	--	--
2.	Bhawna Godha	32400	0.66	--	32400	0.66	--	--
3.	Kaygee Laboratories P. Ltd	650000	13.22	--	650000	13.22	--	--
4.	Kaygee Investments Pvt. Ltd.	854400	17.38	--	854400	17.38	--	--
5.	Nirmal Jain	73600	1.50	--	73600	1.50	--	--
6.	Premchand Godha	97520	1.98	--	97520	1.98	--	--
7.	Usha P. Godha	44000	0.89	--	44000	0.89	--	--
8.	Paschim Chemicals P. Ltd.	766672	15.59	--	766672	15.59	--	--
9.	Chandurkar Investments Pvt. Ltd.	64800	1.32	--	64800	1.32	--	--
10.	Usha M. Chandurkar	33000	0.67	--	33000	0.67	--	--
11.	Sameer M. Chandurkar	18000	0.37	--	18000	0.37	--	--
12.	Mexin Medicaments Private Limited	141180	2.87	--	141180	2.87	--	--
	<b>Total</b>	<b>2869947</b>	<b>58.37</b>	<b>--</b>	<b>2869947</b>	<b>58.37</b>	<b>--</b>	<b>--</b>

**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year (01.04.2017)	2869947	58.37	--	--
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment/ transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year (31.03.2018)	--	--	2869947	58.37

There was no change in the shareholding of the promoters during the year under review.

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

Sl. No.	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Vara Lakshmi G					
	At the beginning of the year	01.04.2017	123473	2.51	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	14.04.2017	(1901)	(0.04)	121572	2.47
		21.04.2017	4500	0.09	126072	2.56
		15.12.2017	(1750)	(0.04)	124322	2.52
		26.01.2018	(1226)	(0.02)	123096	2.50
09.02.2018	(937)	(0.02)	122159	2.48		
At the End of the year	31.03.2018	--	--	122159	2.48	
2.	Neelima Karlapudi					
	At the beginning of the year	01.04.2017	68506	1.39	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	15.12.2017	(2970)	(0.06)	65536	1.33
		16.02.2018	(26)	(0.00)	65510	1.33
At the End of the year	31.03.2018	--	--	65510	1.33	

Sl. No.	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	Rambabu Veldi					
	At the beginning of the year	01.04.2017	56937	1.16	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	15.12.2017	(455)	(0.01)	56482	1.15
		23.02.2018	(3641)	(0.08)	52841	1.07
	At the End of the year	31.03.2018	--	--	52841	1.07
4.	Mudra Financial Services Limited					
	At the beginning of the year	01.04.2017	31781	0.65	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
		At the End of the year	31.03.2018	--	--	31781
5.	G V Eswar					
	At the beginning of the year	01.04.2017	30000	0.61	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
		At the End of the year	31.03.2018	--	--	30000
6.	Rajasekhar Guttikonda					
	At the beginning of the year	01.04.2017	26198	0.53	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
		At the End of the year	31.03.2018	--	--	26198
7.	Sunil K Mehta					
	At the beginning of the year	01.04.2017	22250	0.45	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	14.04.2017	(1250)	(0.02)	21000	0.43
		21.04.2017	(500)	(0.01)	20500	0.42
		05.05.2017	250	0.00	20750	0.42
		12.05.2017	400	0.01	21150	0.43
		26.05.2017	400	0.01	21550	0.44
		30.06.2017	200	0.00	21750	0.44
		07.07.2017	50	0.00	21800	0.44
		17.11.2017	(300)	(0.00)	21500	0.44
At the End of the year	31.03.2018			21500	0.44	
8	Suresh Bhoorchand Shah					
	At the beginning of the year	01.04.2017	40000	0.81		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	21.07.2017	(1458)	(0.03)	38542	0.78
		29.12.2017	(16274)	(0.33)	22268	0.45
		05.01.2018	(1000)	(0.02)	21268	0.43
At the End of the year	31.03.2018			21268	0.43	

Sl. No.	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9.	Meena Nitinbhai Chokshi					
	At the beginning of the year	01.04.2017	15782	0.32	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2018	--	--	15782	0.32
10.	Ketan Bharatbhai Parikh					
	At the beginning of the year	01.04.2017	7280	0.15		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	26.05.2017	7280	0.15	14560	0.30
		02.06.2017	(6280)	(0.13)	8280	0.17
		15.09.2017	7280	0.15	15560	0.32
		30.09.2017	(7280)	(0.15)	8280	0.17
		17.11.2017	5000	0.10	13280	0.27
At the End of the year	31.03.2018	--	--	13280	0.27	
11	Sneha Prakash Shah	01.04.2017	15000	0.31		
	At the beginning of the year	19.05.2017	(10000)	(0.21)	5000	0.10
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	23.06.2017	(5000)	(0.10)	NIL	0.00
	At the End of the year	31.03.2018	--	--	NIL	0.00
12	Manu Gopaldas Chhabria					
	At the beginning of the year	01.04.2017	24556	0.50	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	19.05.2017	(1821)	(0.04)	22735	0.46
		22.09.2017	(5000)	(0.10)	17735	0.36
		10.11.2017	500	0.01	18235	0.37
		17.11.2017	(17428)	(0.35)	807	0.02
		24.11.2017	(807)	(0.02)	0	0.00
		16.02.2018	1660	0.03	1660	0.03
		23.02.2018	2000	0.04	3660	0.07
23.03.2018	100	0.01	3760	0.08		
At the End of the year	31.03.2018	--	--	3760	0.08	
13.	Sonal Rupesh Jobanputra					
	At the beginning of the year	01.04.2017	10050	0.20	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2018	--	--	10050	0.20
14.	Priti Pranay Mhatre					
	At the beginning of the year	01.04.2017	9609	0.19	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
	At the End of the year	31.03.2018	--	--	9609	0.19

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. K.C. Jain Independent Director					
	At the beginning of the year	01.04.2017	600	0.01	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2018	--	--	600	0.01
2.	Mr. S. V. Loyalka Independent Director					
	At the beginning of the year	01.04.2017	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2018	--	--	--	--
3.	Dr. Rajeshwar Singh Independent Director					
	At the beginning of the year	01.04.2017	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2018	--	--	--	--
4.	Ms. Dipti Shah* Independent Director					
	At the beginning of the year	01.04.2017	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2018	--	--	--	--
5.	Mrs. Purnima Jain** Wholetime Director					
	At the beginning of the year	01.04.2017	625	0.01	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2018	--	--	625	0.01

Sl. No.	For Each of the Directors and KMP	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	Mr. Saahil Parikh Wholetime Director and CEO					
	At the beginning of the year	01.04.2017	660	0.01	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2018	--	--	660	0.01
7.	Mr. Sandeep Kadam# Manager –Accounts/CFO					
	At the beginning of the year	01.04.2017	400	0.01	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2018	--	--	400	0.01
8.	Ms. Khyati Danani Company Secretary					
	At the beginning of the year	01.04.2017	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2018	--	--	--	--

\* Ms. Dipti Shah was appointed as Additional/ Independent Director w.e.f. 29.01.2018

\*\* Mrs. Purnima Jain resigned as Director/Whole time Director w.e.f. 30.10.2017

# Mr. Sandeep Kadam was appointed as CFO w.e.f. 30.10.2017

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans (₹)	Deposits	Total Indebtedness (₹)
<b>Indebtedness at the beginning of the financial year (01.04.2017)</b>				
i) Principal Amount	--	1,43,24,213	--	1,43,24,213
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	--	1,43,24,213	--	1,43,24,213
<b>Change in Indebtedness during the financial year</b>				
• Addition	--	--	--	--
• Reduction	--	14,30,909	--	14,30,909
<b>Net Change</b>	--	14,30,909	--	14,30,909
<b>Indebtedness at the end of the financial year (31.03.2018)</b>				
i) Principal Amount	--	1,28,93,304	--	1,28,93,304
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	--	1,28,93,304	--	1,28,93,304

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹)
		Mrs. Purnima Jain WTD / CEO# **	Mr. Saahil Parikh WTD / CEO#	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,08,976	36,39,296	58,48,272
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	36,80,768	1,10,800	37,91,568
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	58,89,744	37,50,096	96,39,840
	Ceiling as per the Act	₹ 40.44 Lakhs (being 10% of the profits of the Company calculated as per the Section 197 and 198 of the Companies Act, 2013). However, the remuneration paid is within the prescribed limits under Schedule V of the Companies Act, 2013.		

\*\* Mrs. Purnima Jain resigned w.e.f. 30.10.2017

# Upon resignation of Mrs. Purnima Jain as Wholetime Director/CEO, Mr. Saahil Parikh- Wholetime Director was appointed as CEO

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
		Mr. K. C. Jain	Mr. S. V. Loyalka	Dr. Rajeshwar Singh	Ms. Dipti Shah*	
1.	Independent Directors					
	• Fee for attending board / committee meetings	1,20,000	95,000	1,20,000	15,000	3,50,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	1,20,000	95,000	1,20,000	15,000	3,50,000
2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	1,20,000	95,000	1,20,000	15,000	3,50,000
	Total Managerial Remuneration	-	-	-	-	99,89,840
	Overall Ceiling as per the Act	11% of the net profit as per Section 197 and 198 of the Act – ₹ 44.48 Lakhs. However, the managerial remuneration paid is within the prescribed limits under Schedule V of the Companies Act, 2013.				

\* Ms. Dipti Shah was appointed as Additional/ Independent Director w.e.f. 29.01.2018



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total (₹)
		Mr. Sandeep Kadam (Manager –Accounts/CFO) (w.e.f. 30.10.2017)	Ms. Khyati Danani (Company Secretary)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,19,465	10,45,730	13,65,195
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify.	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>3,19,465</b>	<b>10,45,730</b>	<b>13,65,195</b>

Remuneration of CEO who is the Wholetime Director is given in Item No. VI (A)

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board

Mumbai,  
23<sup>rd</sup> May, 2018

Saahil Parikh  
Wholetime Director

K. C. Jain  
Director

## **FORM No. MR-3**

### **SECRETARIAL AUDIT REPORT**

#### **FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

(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,  
Makers Laboratories Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Makers Laboratories Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018, 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 made available to us and maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (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) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period).

(vi) Other laws applicable specifically to the Company namely:

- (1) Pharmacy Act, 1948,
- (2) Drugs and Cosmetics Act, 1940,
- (3) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954,
- (4) Narcotic Drugs and Psychotropic Substances Act, 1985, and
- (5) Drug Pricing Control Order, 2013.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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 had no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For Parikh & Associates  
Company Secretaries

Place: Mumbai

Date : May 23, 2018

Jigyasa N. Ved  
Partner  
FCS No: 6488 CP No: 6018

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

**'Annexure A'**

To,  
The Members  
Makers Laboratories Limited

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.
2. We have followed the audit practices and process 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 process 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 procedure 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 Parikh & Associates  
Company Secretaries

Place: Mumbai  
Date : May 23, 2018

Jigyasa N. Ved  
Partner  
FCS No: 6488 CP No: 6018

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Makers Laboratories Limited**

### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Makers Laboratories Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Cash Flow and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statement").

### **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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) specified under Section 133 of the Act, read with relevant rules thereon.

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS Financial Statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2018, its financial performance including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereon;
  - (e) On the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statement -Refer Note 34 to the Ind AS Financial Statement.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There are no delays in payment of amounts to the Investor Education and Protection Fund during the year.

Mumbai,  
Dated: May 23, 2018

**For Natvarlal Vepari & Co.**  
Chartered Accountants  
Firm Registration No.106971W  
**N Jayendran**  
Partner  
Membership No. 40441

## ANNEXURE A TO AUDITOR'S REPORT

- (i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) We have verified the title deeds of immovable properties forming part of Fixed Assets produced before us by the management and based on such verification we confirm that the same are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year. The discrepancies noticed between the book stock and the physical stocks were not material and they have been properly dealt with in the books of accounts.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013 and hence the sub clauses (a) and (b) of clause 3(iii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantees and security given.
- (v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.
- (vi) As informed to us, the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.
- (vii) (a) The Company has been regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Duty of Customs or Duty of Excise or Value Added Tax which have not been deposited on account of any dispute except as given below:

Name of statute	Nature of dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Order under section 143(3) r/w section 147	11.26	April 2011 to March 2012	CIT (Appeals)
Income Tax	Order under section 143(3) r/w section 147	61.56	April 2010 to March 2011	CIT (Appeals)
Income Tax	Order under section 143(3) r/w section 147	14.54	April 2009 to March 2010	CIT (Appeals)

- (viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to the financial institution or banks. Further, the company has not obtained any borrowings by way of debentures.

- (ix) The company has not raised any money by way of public issue / follow-on offer (including debt instruments). Accordingly the clause 3(ix) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- (x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company hence clause 3(xii) of the Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Accounting Standard.
- (xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence the clause 3(xiv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause 3(xv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- (xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act, 1934.

**For Natvarlal Vepari & Co.**  
Chartered Accountants  
Firm Registration No.106971W  
**N Jayendran**  
Partner  
Membership No. 40441

Mumbai,  
Dated: May 23, 2018



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

We have audited the internal financial controls with reference to Financial Statements of Makers Laboratories Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS Financial Statement of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Financial Statements 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 with reference to Financial Statements 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") 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements 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 with reference to Financial Statements.

**Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to Financial Statements 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 with reference to Financial Statements 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 authorisations of management

and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to Financial Statements**

Because of the inherent limitations of Financial controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2018, based on the internal control with reference to Financial Statements 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.

Mumbai,  
Dated: May 23, 2018

**For Natvarlal Vepari & Co.**  
Chartered Accountants  
Firm Registration No.106971W  
**N Jayendran**  
Partner  
Membership No. 40441

## Balance Sheet as at March 31, 2018

Particulars	Note	As at Mar 31, 2018 ₹ in lacs	As at Mar 31, 2017 ₹ in lacs	As at Apr 01, 2016 ₹ in lacs
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant & Equipment	1	1,661.12	1,728.62	945.82
(b) Capital work-in-progress		10.71	14.87	422.61
(c) Other Intangible assets	1A	0.46	1.52	4.14
(d) Financial Assets				
(i) Investments	2	817.50	711.61	660.21
(ii) Loans	3	22.38	4.40	4.63
(iii) Others	4	11.31	10.60	0.60
(e) Other Non-current assets	5	41.33	48.56	46.48
		<b>2,564.81</b>	<b>2,520.18</b>	<b>2,084.49</b>
<b>(2) Current Assets</b>				
(a) Inventories	6	1,334.56	799.24	654.95
(b) Financial Assets				
(i) Investments	2A	100.19	-	-
(ii) Trade receivables	7	1,121.58	1,206.26	1,370.31
(iii) Cash and cash equivalents	8	16.08	410.77	115.19
(iv) Bank balances other than (iii) above	9	7.34	7.76	5.87
(v) Loans	3	1.30	4.44	0.67
(vi) Others	4	46.27	3.42	68.15
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets	5	137.13	68.02	45.81
(e) Non Current Asset Held for Sale	10	-	-	89.22
		<b>2,764.45</b>	<b>2,499.91</b>	<b>2,350.17</b>
<b>Total Assets</b>		<b>5,329.26</b>	<b>5,020.09</b>	<b>4,434.66</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	11	491.70	491.70	491.70
(b) Other Equity	12	3,190.49	2,914.67	2,565.33
<b>Total Equity</b>		<b>3,682.19</b>	<b>3,406.37</b>	<b>3,057.03</b>
<b>LIABILITIES</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	17	-	-	-
(ii) Other financial liabilities	13	-	-	-
(b) Provisions	14	18.99	23.13	17.57
(c) Deferred tax liabilities (Net)	15	73.79	80.06	50.00
(d) Other Non-current liabilities	16	-	-	-
		<b>92.78</b>	<b>103.19</b>	<b>67.57</b>
<b>(2) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	17	128.93	143.24	17.98
(ii) Trade payables	18	668.10	716.22	750.45
(iii) Other financial liabilities	13	633.67	503.14	402.60
(b) Other current liabilities	16	15.88	27.41	25.97
(c) Provisions	14	95.43	102.54	85.10
(d) Current Tax Liabilities (Net)	19	12.28	17.98	27.96
		<b>1,554.29</b>	<b>1,510.53</b>	<b>1,310.06</b>
<b>Total Equity and Liabilities</b>		<b>5,329.26</b>	<b>5,020.09</b>	<b>4,434.66</b>

Statement of significant accounting policies and other explanatory notes form part of the balance sheet and statement of profit and loss

As per our report of even date attached  
For **Natvarlal Vepari & Co.**  
Chartered Accountants  
Firm Registration No. 106971W

**N. Jayendran**  
Partner  
M.No. 40441  
Mumbai May 23, 2018

For and on behalf of the Board of Directors

**Saahil Parikh**  
(DIN 00400079)  
Wholetime Director

**K.C Jain**  
(DIN 00021239)  
Director

**Khyati Danani**  
(ACS 21844)  
Company Secretary

## Statement of Profit and Loss for the year ended March 31, 2018

<u>Particulars</u>	<u>Note</u>	<u>2017-18</u> ₹ in lacs	<u>2016-17</u> ₹ in lacs
<b>I Revenue from Operations</b>	20	<b>5,616.53</b>	5,914.83
<b>II Other Income</b>	21	<b>169.36</b>	68.79
<b>III Total Income (I + II)</b>		<b>5,785.89</b>	5,983.62
<b>IV Expenses</b>			
Cost of Materials Consumed	22	<b>1,814.44</b>	1,717.64
Purchase of Stock in trade	23	<b>2,117.92</b>	1,880.46
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	24	<b>(340.48)</b>	(128.38)
Excise duty		<b>21.95</b>	101.70
Employee Benefit Expenses	25	<b>628.51</b>	662.89
Finance Cost	26	<b>35.82</b>	27.12
Depreciation & Amortisation	27	<b>157.15</b>	107.74
Other Expenses	28	<b>927.03</b>	1,159.19
<b>Total Expenses (IV)</b>		<b>5,362.34</b>	5,528.36
<b>V Profit Before exceptional items and Tax (III-IV)</b>		<b>423.55</b>	455.26
<b>VI Exceptional Items</b>			
Profit on sale of Dombivli manufacturing unit		-	78.38
<b>VII Profit Before Tax (V+VI)</b>		<b>423.55</b>	533.64
<b>VIII Tax Expense</b>	29		
1. Current Tax		<b>136.17</b>	133.61
2. Short / Excess Provision of earlier years		<b>(5.28)</b>	-
3. Deferred Tax Liability / (asset)		<b>(13.03)</b>	30.06
<b>IX Profit for the period ( VII-VIII)</b>		<b>305.69</b>	369.97
<b>X Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
Actuarial gain and loss		<b>(0.52)</b>	(14.46)
Fair Value remeasurement of Investment		<b>36.42</b>	51.40
(ii) Income Tax relating to items that will not be reclassified to statement of profit and loss	29A	<b>(6.59)</b>	1.61
<b>Other Comprehensive Income for the year, net of tax</b>		<b>29.31</b>	38.55
<b>Total comprehensive Income for the year</b>		<b>335.00</b>	408.52
<b>XI Earnings per Equity Share :</b>			
Par Value ₹ 10 each			
Basic (in ₹)	30	<b>6.22</b>	7.52
Diluted (in ₹)	30	<b>6.22</b>	7.52

Statement of significant accounting policies and other explanatory notes form part of the balance sheet and statement of profit and loss

As per our report of even date attached  
For **Natvarial Vepari & Co.**  
Chartered Accountants  
Firm Registration No. 106971W

**N. Jayendran**  
Partner  
M.No. 40441  
Mumbai May 23, 2018

**For and on behalf of the Board of Directors**

**Saahil Parikh**  
(DIN 00400079)  
Wholetime Director

**K.C Jain**  
(DIN 00021239)  
Director

**Khyati Danani**  
(ACS 21844)  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	2017-18 ₹ in lacs	2016-17 ₹ in lacs
<b>A. Cash Flow from Operating Activities</b>		
1) <b>Net profit before taxation and extraordinary item</b>	<b>423.55</b>	455.26
<b>Adjustments for :</b>		
Depreciation	157.15	107.74
(Profit)/ Loss on sale of Property, Plant & Equipment	6.53	(5.32)
Property, plant & equipment scrapped	9.49	5.35
Bad debts w/off	9.02	1.56
Reversal of provision for Doubtful debts	(6.46)	(24.83)
MTM Loss on Equity Shares FVTPL	7.92	-
Interest income	(22.40)	(7.50)
Dividend income	(19.17)	(18.92)
Interest expense	35.82	27.12
	<b>177.90</b>	85.20
2) <b>Operating profit before working capital changes</b>	<b>601.45</b>	540.46
(Increase) / Decrease in Receivables & Advances	(35.88)	224.46
Decrease / (Increase) in inventories	(535.33)	(144.30)
Increase / (decrease) in liabilities & provisions	127.35	74.40
	<b>(443.86)</b>	154.56
3) <b>Cash generated from operation</b>	<b>157.59</b>	695.02
Income tax paid (net)	(136.41)	(141.98)
<b>Net cash from operating activities</b>	<b>21.18</b>	553.04
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment including capital WIP	(209.57)	(887.19)
Proceeds from Sale of Plant, Property and Equipment	39.38	574.58
Investment in shares	(77.38)	-
Movement in other bank balances	0.42	(10.00)
Term Deposits	(0.71)	-
Interest received	22.32	7.26
Dividend received	19.17	18.92
<b>Net cash from / (used) in investing activities</b>	<b>(206.37)</b>	(296.43)
<b>C. Cash Flow from Financing Activities</b>		
Interest paid	(35.82)	(27.12)
Borrowings from bank	(14.31)	125.27
Dividend & dividend tax paid	(59.18)	(59.18)
<b>Net cash from (used in) financing activities</b>	<b>(109.31)</b>	38.97
<b>Net increase / (decrease) in cash and cash equivalents ( A + B + C )</b>	<b>(294.50)</b>	295.58
Cash and cash equivalents at beginning of year	<b>410.77</b>	115.19
Cash and cash equivalents at end of year	<b>116.27</b>	410.77
<b>Components of cash &amp; cash equivalents :</b>		
Cash and cheques on hand	15.81	0.24
Balance with banks	0.27	410.53
Mutual funds	100.19	-
	<b>116.27</b>	410.77

As per our report of even date attached  
For **Natvarlal Vepari & Co.**  
Chartered Accountants  
Firm Registration No. 106971W

**N. Jayendran**  
Partner  
M.No. 40441  
Mumbai May 23, 2018

For and on behalf of the Board of Directors

**Saahil Parikh**  
(DIN 00400079)  
Wholetime Director

**K.C Jain**  
(DIN 00021239)  
Director

**Khyati Danani** - Company Secretary  
(ACS 21844)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

### Equity Share Capital

	No. of shares	₹ in Lacs
Equity share capital of face value ₹ 10.00 each		
Balance as at April 1, 2016	4,916,980	491.70
Changes in equity share capital during the year	-	-
Balance as at March 31, 2017	4,916,980	491.70
Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2018</b>	<b>4,916,980</b>	<b>491.70</b>

### Other Equity

Particulars	Reserves and Surplus				Other Equity		Total
	Reserves and Surplus		Other comprehensive income		Not Reclassified to P&L		
	Capital reserve	Securities premium	General Reserve *	Retained earnings	Fair Value of Investment through OCI *		
As at April 1, 2016	302.76	108.64	1,100.00	627.33	426.60		2,565.33
Profit for the period	-	-	-	369.97	-		369.97
Gain/ (loss) on Fair Value of Investment through OCI	-	-	-	-	51.40		51.40
Actuarial gain/(loss) on gratuity (Net of tax thereon)	-	-	-	(12.86)	-		(12.86)
Dividend	-	-	-	(49.17)	-		(49.17)
Tax on dividend	-	-	-	(10.01)	-		(10.01)
Transfer to General reserve	-	-	-	(100.00)	-		(100.00)
Transfer from Retained Earnings Reserve	-	-	100.00	-	-		100.00
Balance as on March 31, 2017	302.76	108.64	1,200.00	825.27	478.00		2,914.67
Profit for the period	-	-	-	<b>305.69</b>	-		<b>305.69</b>
Gain/ (loss) on Fair Value of Investment through OCI	-	-	-	-	<b>36.42</b>		<b>36.42</b>
Actuarial gain/(loss) on gratuity (Net of tax thereon)	-	-	-	(7.11)	-		(7.11)
Dividend	-	-	-	(49.17)	-		(49.17)
Tax on dividend	-	-	-	(10.01)	-		(10.01)
<b>Balance as on March 31, 2018</b>	<b>302.76</b>	<b>108.64</b>	<b>1,200.00</b>	<b>1,064.67</b>	<b>514.42</b>		<b>3,190.49</b>

As per our report of even date attached

For **Natvarlal Vepari & Co.**

Chartered Accountants

Firm Registration No. 106971W

**N. Jayendran**

Partner

M.No. 40441

Mumbai May 23, 2018

For and on behalf of the Board of Directors

**Saahil Parikh**

(DIN 00400079)

Wholetime Director

**K. C Jain**

(DIN 00021239)

Director

**Khayati Danani** - Company Secretary

(ACS 21844)

## **Statement of Significant Accounting policies and Other Explanatory Notes**

### **(A) Corporate Information**

Incorporated in the year 1984, Makers Laboratories Limited is a integrated pharmaceutical company manufacturing and marketing around 200 formulations. The Company has one manufacturing unit in India manufacturing formulations for the Indian market.

The financial statements of the company for the year ended March 31, 2018 were authorised for issue in accordance with the resolution passed at the meeting of the Board of Directors held on May 23, 2018.

### **(B) Significant Accounting Policies**

#### **I) Basis of Preparation**

These financial statements are Standalone Financial Statements and are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods upto and including the year ended March 31, 2017 the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

The year ended March 31, 2018 is the first period for which the Company has prepared its financial statements in accordance with Ind AS. The previous period comparatives for the period ended March 31, 2017 which were earlier prepared as per the aforesaid Companies (Accounts) Rules, 2014 have been restated as per Ind AS to make them comparable. The date of transition to Ind AS is therefore April 1, 2016 for which the Opening Balance Sheet is prepared.

These financial Statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### **II) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

#### **III) Summary of significant accounting policies**

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

##### **(a) Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or

- It is held primarily for the purpose of trading or
- It is expected to be realised within twelve months after the reporting period, or
- It is 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 or
- It is held primarily for the purpose of trading or
- 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 atleast twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**(b) Property, Plant and Equipment**

- i) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Cost of acquisition comprises its purchase price including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discount and rebates are deducted in arriving at the purchase price. Revalued assets are recorded at revalued amounts.
- ii) Capital Work In Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes Project expenses pending allocation. Project expenses pending allocation are apportioned to the property, plant and equipment of the project proportionately on capitalisation.
- iii) Cost of borrowing for assets taking substantial time to be ready for use is capitalised for the period up to the time the asset is ready for its intended use.
- iv) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- v) The residual useful life of property, plant & equipment is reviewed at each balance sheet date and adjusted if required in the depreciation rates.
- vi) The Property, plant and equipment existing on the date of transition are accounted on deemed cost basis by applying para D7AA in accordance with the exemption provided in Ind AS 101 " First-time Adoption of Indian Accounting Standards" at previous GAAP carrying value.
- vii) Depreciation methods, estimated useful lives and residual value

Depreciation on all assets of the Company is charged on straight line method over the useful life of assets mentioned in Schedule II to the Companies Act ,2013 or the useful life previously assessed by the management based on technical review whichever is lower for the proportionate period of use during the year. Intangible assets are amortised over the economic useful life estimated by the management.

The management's estimated useful life/useful life as per schedule II whichever is lower for the various tangible assets are as follows.



Assets	Estimated useful life (Years)
Leasehold Land	Period of Lease
Building	28 to 58 Years
Plant & Equipment	6 to 20 Years
Eff. Treatment Plant	18 to 20 Years
Fur. & Fix.	15 Years
Vehicles	10 Years

**c) Non-Current Assets held for Sale**

A Non Current Asset is classified as held for sale if its carrying amount will be recovered principally through sale rather than through its continuing use, is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale, it is highly probable that sale will take place within next 1 year and sale will not be abandoned.

**d) Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The Intangible assets existing on the date of transition are accounted on deemed cost basis by applying para D7AA in accordance with the exemption provided in Ind AS 101 “ First-time Adoption of Indian Accounting Standards” at previous GAAP carrying value.

The management has estimated the economic useful life for the various intangible assets as follows.

Brands and Trademarks	4
Software for internal use	4

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

**e) Borrowings**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

**f) Impairment Loss**

Assets subject to amortization/depreciation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill for which impairment losses have been recognized are tested at each balance sheet date in the event that the loss has reversed.

**g) Inventories**

Items of inventories are valued lower of cost or estimated net realisable value as given below.

Raw Materials and Packing Materials	Lower of cost and Net realisable value. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on First in First out basis.
Work-in-process and Finished Goods	At lower of cost including material cost net of CENVAT, labour cost and all overheads other than selling and distribution overheads and net realisable value. Excise duty is considered as cost for finished goods wherever applicable.
Consumable Stores and Spares	Consumable Stores and spare parts are valued at lower of purchase cost computed on First-in-First-out method and net realisable value.
Traded Goods	Traded Goods are valued at lower of purchase cost and net realisable value.

**h) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities on the balance sheet.

**i) Provisions**

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

**j) Retirement and other benefits**

**Provident Fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

**Gratuity**

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

**Compensated Absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences

is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**k) Fair Value Measurement**

The Company measures financial instruments, such as Equity Instruments at fair value at each balance sheet date. 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 by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

**l) Financial Instruments**

**(i) Financial Assets & Financial Liabilities**

**Initial recognition and measurement**

All financial assets and liabilities are recognised initially at fair value.

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 is treated as cost of acquisition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent Measurement**

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

- ▶ Debt instruments at amortised cost
- ▶ Debt instruments at fair value through other comprehensive income (FVTOCI)
- ▶ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- ▶ Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note XX details how the

entity determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**Derecognition of financial instruments**

A financial asset is derecognised only when

- \* The Company has transferred the rights to receive cash flows from the financial asset or
- \* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**m) Revenue Recognition**

- i) Revenue from sale of goods is recognised net of returns, product expiry claims and trade discount, on transfer of significant risk and rewards in respect of ownership to the buyer which is generally on dispatch of goods.
- ii) Revenue from services is recognised when all relevant activities are completed and the right to receive income is established.
- iii) For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

**n) Taxes**

Tax expenses comprise Current Tax and Deferred Tax.:

**i) Current Tax:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**ii) Deferred Tax:**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying

amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

**iii) MAT Credit:**

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

**o) Leases**

**Operating lease**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease. Operating lease payments, as per terms of the agreement, are recognised as an expense in the statement of profit and loss on a straight line basis in accordance with Ind AS 17.

**p) Research and Development**

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment / intangible assets.

**q) Earnings Per Share**

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**r) Dividend Distribution**

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

## Notes to financial statements as at and for the year ended March 31, 2018

### 1 Property, Plant & Equipment

Particulars	₹ in Lacs							Total	
	Freehold Land	Building	Plant & Equipment	Office & Other Equipment	Eff. Treatment Plant	Fur. & Fix.	Vehicles		R & D Plant & Equipment
<b>Gross Block</b>									
As on 01/04/2016	210.23	337.33	348.48	3.66	2.65	24.91	18.56	-	945.82
Additions	-	608.07	234.06	0.45	0.18	8.83	-	35.60	887.19
Disposals / Adjustments	-	-	(0.15)	0.14	-	-	-	-	(0.01)
As on 31/03/2017	210.23	945.40	582.39	4.25	2.83	33.74	18.56	35.60	1,833.00
Additions	-	<b>32.52</b>	<b>55.98</b>	<b>1.67</b>	-	<b>2.03</b>	<b>25.36</b>	<b>22.24</b>	<b>139.80</b>
Disposals / Adjustments	-	<b>(13.76)</b>	<b>(40.50)</b>	-	-	-	<b>(9.25)</b>	-	<b>(63.51)</b>
<b>As on 31/03/2018</b>	<b>210.23</b>	<b>964.16</b>	<b>597.87</b>	<b>5.92</b>	<b>2.83</b>	<b>35.77</b>	<b>34.67</b>	<b>57.84</b>	<b>1,909.29</b>

### Accumulated Depreciation

As on 01/04/2016	-	-	-	-	-	-	-	-	-
For the year 2016-17	-	21.16	69.11	1.60	0.51	5.90	4.97	1.13	104.38
Disposals / Adjustments	-	-	-	-	-	-	-	-	-
As on 31/03/2017	-	21.16	69.11	1.60	0.51	5.90	4.97	1.13	104.38
For the year 2017-18	-	<b>33.85</b>	<b>97.62</b>	<b>1.37</b>	<b>0.42</b>	<b>8.02</b>	<b>5.32</b>	<b>9.49</b>	<b>156.09</b>
Disposals / Adjustments	-	<b>(2.42)</b>	<b>(6.34)</b>	-	-	-	<b>(3.54)</b>	-	<b>(12.30)</b>
<b>As on 31/03/2018</b>	-	<b>52.59</b>	<b>160.39</b>	<b>2.97</b>	<b>0.93</b>	<b>13.92</b>	<b>6.75</b>	<b>10.62</b>	<b>248.17</b>

Net Block as on 31/03/2017

210.23	924.24	513.28	2.65	2.32	27.84	13.59	34.47		1,728.62
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**Net Block as on 31/03/2018**

<b>210.23</b>	<b>911.57</b>	<b>437.48</b>	<b>2.95</b>	<b>1.90</b>	<b>21.85</b>	<b>27.92</b>	<b>47.22</b>		<b>1,661.12</b>
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**Note :** In view of the adoption of para D7AA of Ind AS 101 relating to Deemed Cost, the net block as at 31/03/2016 as follows has been shown as gross block as on April 01, 2016 after reclassifying Dombivli Unit assets into Non-Current Assets Held for Sale.

Particulars	₹ in Lacs							Total	
	Freehold Land	Building	Plant & Equipment	Office & Other Equipment	Eff. Treatment Plant	Fur. & Fix.	Vehicles		R & D Plant & Equipment
Gross Block as on 31/03/2016	210.23	505.45	932.75	17.07	3.03	66.38	42.84	-	1,777.75
Accumulated Depreciation till 31/03/2016	-	168.12	584.27	13.41	0.38	41.47	24.28	-	831.93
Net Block as on 31/03/2016	210.23	337.33	348.48	3.66	2.65	24.91	18.56	-	945.82

## 1A Other Intangible Assets

Particulars	₹ in Lacs		
	Computer Software	Brand / Trade Mark	Total
<b>Gross Block</b>			
As on 01/04/2016	4.01	0.13	4.14
Additions	0.74	-	0.74
Disposals / Adjustments	-	-	-
As on 31/03/2017	4.75	0.13	4.88
Additions	-	-	-
Disposals / Adjustments	-	-	-
<b>As on 31/03/2018</b>	<b>4.75</b>	<b>0.13</b>	<b>4.88</b>
<b>Accumulated Amortisation</b>			
As on 01/04/2016	-	-	-
For the year 2016-17	3.23	0.13	3.36
Disposals / Adjustments	-	-	-
As on 31/03/2017	3.23	0.13	3.36
For the year 2017-18	1.06	-	1.06
Disposals / Adjustments	-	-	-
<b>As on 31/03/2018</b>	<b>4.29</b>	<b>0.13</b>	<b>4.42</b>
Net Block as on 31/03/2017	1.52	-	1.52
<b>Net Block as on 31/03/2018</b>	<b>0.46</b>	<b>-</b>	<b>0.46</b>

Note : In view of the adoption of para D7AA of Ind AS 101 relating to Deemed Cost, the net block as at 31/03/2016 as follows has been shown as gross block as on April 01, 2016.

Particulars	₹ in Lacs		
	Computer Software	Brand / Trade Mark	Total
Gross Block as on 31/03/2016	12.16	2.00	14.16
Accumulated Depreciation till 31/03/2016	8.15	1.87	10.02
Net Block as on 31/03/2016	4.01	0.13	4.14

## Financial Assets - Investments

### 2 Non-current Investments

Particulars	₹ in Lacs		
	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Investment in Equity Instruments	817.50	711.61	660.21
<b>Total</b>	<b>817.50</b>	<b>711.61</b>	<b>660.21</b>

### 2A Current Investments

Particulars	₹ in Lacs		
	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Investment in Mutual fund	100.19	-	-
<b>Total</b>	<b>100.19</b>	<b>-</b>	<b>-</b>

**2 Non-current Investments**

Sr. No.	Name of the Body Corporate	Face Value per Equity Instrument (₹)	Number Of Equity Instruments			₹ in Lacs		
			31/3/2018	31/3/2017	01/04/2016	31/3/2018	31/3/2017	01/04/2016
<b>Investments measured at fair value through OCI (fully paid)</b>								
<b>Unquoted equity shares</b>								
1	Mexin Medicaments. Pvt Ltd	100	11,990	11,990	11,990	82.68	78.53	71.88
2	Ellora Organics Pvt Ltd	100	1,610	1,610	1,610	-	-	-
<b>Quoted equity shares</b>								
3	Ipsca Laboratories Ltd	2	101,480	101,480	101,480	665.35	633.08	588.33
<b>Investments measured at fair value through P&amp;L (fully paid)</b>								
<b>Quoted equity shares</b>								
1	Vedanta Ltd	10	25,000	-	-	69.46	-	-
						<b>817.50</b>	711.61	660.21

**(i) Aggregate value of investments**

Particulars	₹ in Lacs		
	31/3/2018	31/3/2017	01/04/2016
Aggregate book value of quoted investments	734.82	633.08	588.33
Aggregate market value of quoted investments	734.82	633.08	588.33
Aggregate book value of unquoted investments	82.68	78.53	71.88

**2 A Current Investments**

Sr. No.	Particulars	Units			₹ in Lacs			
		As at 31/03/2018	As at 31/03/2017	As at 01/04/2016	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016	
<b>Investments in Mutual Fund</b>								
<b>Investments measured at fair value through P&amp;L</b>								
1	Kotak Mutual Fund	9,904	-	-	100.19	-	-	
<b>Total</b>						<b>100.19</b>	-	-

**(ii) Aggregate value of investments**

Particulars	₹ in Lacs		
	31/3/2018	31/3/2017	01/04/2016
Aggregate book value of quoted investments	100.19	-	-
Aggregate market value of quoted investments	100.19	-	-



### 3 Financial Assets - Loans

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	₹ in Lacs		₹ in Lacs		₹ in Lacs	
	Non Current	Current	Non Current	Current	Non Current	Current
(a) Deposits with others						
Considered good	22.30	-	4.40	2.73	4.63	0.57
(b) Others (Unsecured, considered good)						
Loans given to :						
- Employees	0.08	1.30	-	1.71	-	0.10
<b>Total</b>	<b>22.38</b>	<b>1.30</b>	<b>4.40</b>	<b>4.44</b>	<b>4.63</b>	<b>0.67</b>

### 4 Financial Assets - Others

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	₹ in Lacs		₹ in Lacs		₹ in Lacs	
	Non Current	Current	Non Current	Current	Non Current	Current
(a) Advances to Employees						
- Considered good	-	0.49	-	0.36	-	0.18
(b) Gratuity reimbursements and other claims receivable	-	10.50	-	2.55	-	42.44
(c) Interest Receivable	-	0.59	-	0.51	-	0.27
(d) Term Deposits with banks kept as margin money	11.31	-	10.60	-	0.60	-
(e) Unbilled Revenue	-	34.68	-	-	-	25.26
<b>Total</b>	<b>11.31</b>	<b>46.27</b>	<b>10.60</b>	<b>3.42</b>	<b>0.60</b>	<b>68.15</b>

### 5 Other Non-Financial Assets

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	₹ in Lacs		₹ in Lacs		₹ in Lacs	
	Non Current	Current	Non Current	Current	Non Current	Current
(a) Other Advances	-	0.31	-	4.33	-	0.03
(b) Capital Advances	1.50	-	-	-	-	-
(c) Prepaid expenses	1.12	5.82	0.40	8.25	0.16	6.87
(d) Duties & Taxes refundable	21.12	118.78	30.57	21.39	31.02	5.24
(e) Deposits with Govt. departments						
- Considered good	17.59	-	17.59	3.11	15.30	3.43
(f) Advance to suppliers	-	7.89	-	26.35	-	30.24
(g) Advances to Employees	-	4.33	-	4.59	-	-
<b>Total</b>	<b>41.33</b>	<b>137.13</b>	<b>48.56</b>	<b>68.02</b>	<b>46.48</b>	<b>45.81</b>

## 6 Inventories

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	₹ in Lacs		₹ in Lacs		₹ in Lacs	
(a) Raw Materials and components						
In hand		<b>346.30</b>		161.71		140.60
(b) Packing Materials and components						
In hand		<b>59.36</b>		29.48		37.56
(c) Work-in-progress		<b>63.53</b>		32.34		44.10
(d) Finished goods						
In hand						
Own		<b>344.99</b>		209.57		113.61
Traded		<b>517.21</b>	<b>862.20</b>	363.70	573.28	296.45
In transit						
Own		-	-	-		11.55
Traded		-	-	-		5.91
(e) Consumable Stores and Spares		<b>3.18</b>		2.43		5.17
<b>Total</b>		<b>1,334.56</b>		<b>799.24</b>		<b>654.95</b>

The disclosure of inventories recognised as an expense in accordance with paragraph 36 of Ind AS 2 is as follows:

Particulars	₹ in Lacs	
	As at March 31, 2018	As at March 31, 2017
(i) Amount of inventories recognised as an expense during the period.	<b>3,632.53</b>	3,532.56
(ii) Amount of write - down of inventories recognised as an expense during the period.	-	-
<b>Total</b>	<b>3,632.53</b>	<b>3,532.56</b>

## 7 Financial Assets - Trade receivables (Unsecured, at amortised cost)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	₹ in Lacs		₹ in Lacs		₹ in Lacs	
	Non Current	Current	Non Current	Current	Non Current	Current
(a) Considered good	<b>1,121.58</b>		1,206.26		1,370.31	
(b) Considered doubtful	<b>13.75</b>		20.21		45.04	
	<b>1,135.34</b>		1,226.47		1,415.35	
Less: Expected Credit Loss	<b>(13.75)</b>	<b>1,121.58</b>	(20.21)	1,206.26	(45.04)	1,370.31
<b>Total</b>		<b>1,121.58</b>		<b>1,206.26</b>		<b>1,370.31</b>

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

### Movement in the expected credit loss allowance

Particulars	₹ in Lacs	
	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the period	<b>20.21</b>	45.04
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	<b>(6.46)</b>	(24.83)
Provision at the end of the period	<b>13.75</b>	20.21

## 8 Financial Assets - Cash & Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Balances with banks	15.81	10.53	13.43
(b) Cash on hand	0.27	0.24	1.76
(c) Fixed deposit with bank	-	400.00	100.00
<b>Total</b>	<b>16.08</b>	<b>410.77</b>	<b>115.19</b>

## 9 Financial Assets - Bank balances other than (8) above

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Unpaid dividend accounts	7.34	7.76	5.87
	<b>7.34</b>	<b>7.76</b>	<b>5.87</b>

## 10 Non-Current Assets Held for Sale

During the financial year 2015-2016, the entity decided to recover carrying amount of its manufacturing unit located at Dombivali through sale rather than its continuous use. Accordingly carrying amount of the following assets were classified as Non-Current assets held for Sale.

Class of assets classified as held for sale	₹ in Lacs
	As at April 01, 2016
Freehold Land	2.26
Buildings	24.32
Plant & Machinery	59.17
Effluent Treatment Plant	2.90
Furniture and Fixtures	0.57
<b>Total Carrying Amount</b>	<b>89.22</b>

## 11 Equity Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	₹ in Lacs		₹ in Lacs		₹ in Lacs	
Face Value	₹10.00 each		₹10.00 each		₹10.00 each	
Class of Shares	Equity Shares		Equity Shares		Equity Shares	
<b>Authorised Capital</b>	<b>7,500,000</b>	<b>750.00</b>	7,500,000	750.00	7,500,000	750.00
<b>Issued, Subscribed and Paid up Capital</b>						
Issued & Subscribed	<b>4,916,980</b>	<b>491.70</b>	4,916,980	491.70	4,916,980	491.70
(a) Paid up	<b>4,916,980</b>	<b>491.70</b>	4,916,980	491.70	4,916,980	491.70
<b>Total</b>		<b>491.70</b>		<b>491.70</b>		<b>491.70</b>

### Of the above :

- (a) 5,71,440 Equity Shares of ₹ 10 each allotted as fully paid-up to the shareholders of Harleystreet Pharmaceuticals Ltd pursuant to the scheme of Amalgamation.

**Disclosures:**
**i) Reconciliation of Shares**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Numbers	₹ in Lacs	Numbers	₹ in Lacs	Numbers	₹ in Lacs
Shares outstanding at the beginning of the year	4,916,980	491.70	4,916,980	491.70	4,916,980	491.70
Shares Issued during the year	-	-	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>4,916,980</b>	<b>491.70</b>	<b>4,916,980</b>	<b>491.70</b>	<b>4,916,980</b>	<b>491.70</b>

**ii) Details of Shareholding in excess of 5%**

Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares held	%	Number of shares held	%	Number of shares held	%
Kaygee Laboratories Private Limited (Formerly Exon Laboratories Private Limited)	650,000	13.22%	650,000	13.22%	650,000	13.22%
Kaygee Investments Private Limited	854,400	17.38%	854,400	17.38%	854,400	17.38%
Paschim Chemicals Private Limited	766,672	15.59%	766,672	15.59%	766,672	15.59%

**iii) Rights and obligations of shareholders**

The Company has only one class of share referred as Equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after payment of external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend is recommended by management which is subject to shareholder's approval at the General Meeting.

**12 Other Equity**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Capital Reserve	302.76	302.76	302.76
(b) Securities Premium Account	108.64	108.64	108.64
(c) General Reserve	1,200.00	1,200.00	1,100.00
(d) Retained Earnings	1,064.67	825.27	627.33
(e) OCI Reserve			
- Remeasurement of Investment through FVOCI	514.42	478.00	426.60
<b>Total</b>	<b>3,190.49</b>	<b>2,914.67</b>	<b>2,565.33</b>

**a) Security Premium Reserve:**

Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

**b) General Reserve :**

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

**c) The Board of Directors in their meeting held on May 23, 2018 has proposed a dividend of ₹ 1/- per equity share of ₹ 10/- each which together with dividend tax will result in outflow of ₹ 57.84 lacs. This is subject to approval of the Shareholders in the ensuing General Meeting.**

**13 Other Financial Liabilities**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	₹ in Lacs		₹ in Lacs		₹ in Lacs	
	Non Current	Current	Non Current	Current	Non Current	Current
(a) Security Deposits from customers	-	622.60	-	423.40	-	371.65
(b) Unpaid dividends	-	7.34	-	7.76	-	5.87
(c) Payable for Capital Goods	-	3.73	-	71.98	-	25.08
<b>Total</b>	-	<b>633.67</b>	-	<b>503.14</b>	-	<b>402.60</b>

**14 Provisions**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	₹ in Lacs		₹ in Lacs		₹ in Lacs	
	Non Current	Current	Non Current	Current	Non Current	Current
(a) Gratuity	-	22.44	-	21.81	-	10.49
(b) Provision for leave encashment	18.99	5.91	23.13	6.55	17.57	6.29
(c) Provision for leave travel assistance (LTA)	-	5.51	-	12.30	-	8.00
(d) Provision for breakage/damage	-	0.07	-	0.17	-	0.16
(e) Provision for product expiry	-	0.22	-	0.36	-	0.36
(f) Provision for sales return	-	61.28	-	61.35	-	59.80
<b>Total</b>	<b>18.99</b>	<b>95.43</b>	<b>23.13</b>	<b>102.54</b>	<b>17.57</b>	<b>85.10</b>

**The disclosure of provisions movement as required by Ind AS 37 is as follows:-**

Particulars	March 31, 2018	March 31, 2017
<b>(i) Provision for breakage/damage</b>		
Balance at the beginning of the period	0.17	0.16
Provisions made during the period	0.29	0.54
Utilisations during the period	(0.40)	(0.52)
<b>Provision at the end of the period</b>	<b>0.07</b>	<b>0.17</b>
<b>(ii) Provision for product expiry</b>		
Balance at the beginning of the period	0.36	0.36
Provisions made during the period	0.89	1.46
Utilisations during the period	(1.04)	(1.46)
<b>Provision at the end of the period</b>	<b>0.22</b>	<b>0.36</b>
<b>(iii) Provision for sales return</b>		
Balance at the beginning of the period	61.35	59.80
Provisions made during the period	243.61	239.27
Utilisations during the period	(243.68)	(237.72)
<b>Provision at the end of the period</b>	<b>61.28</b>	<b>61.35</b>

**(v) Disclosure in accordance with Ind AS – 19 “Employee Benefits”, of the Companies (Indian Accounting Standards) Rules, 2015.**
**Gratuity**

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet.

<u>Particulars</u>	<u>As at Mar 31, 2018</u>	<u>As at Mar 31, 2017</u>
<b>Expense recognised in Statement of Profit &amp; Loss</b>		
Current Service cost	6.26	7.17
Interest expense	7.75	6.48
Expected Return on Plan Assets	(6.33)	(5.64)
Benefit paid but pending claim	-	-
Past Service cost	-	-
<b>Total</b>	<b>7.68</b>	<b>8.01</b>
<b>Expense recognised in Other Comprehensive Income</b>		
Return on plan assets (Greater)/Less than Discount Rate	(0.23)	44.26
Actuarial (Gain)/Loss due to Experience on DBO	(0.28)	(58.72)
<b>Total</b>	<b>(0.51)</b>	<b>(14.46)</b>
Present value of funded defined benefit obligation	71.39	105.06
Fair value of Plan assets	(48.95)	(85.80)
Funded Status	22.44	19.26
Net defined benefit (Asset) / Liability	22.44	19.26
<b>Movements in present value of defined benefit obligation</b>		
Present value of defined benefit obligation at the beginning of the year	105.05	81.04
Current Service Cost	6.26	7.17
Interest Cost	7.75	6.48
Actuarial (Gain)/Loss	0.29	58.72
Benefits paid	(47.96)	(48.36)
Past Service Cost	-	-
Present value of defined benefit obligation at the end of the year	71.39	105.05
<b>Movements in fair value of the plan assets are as follows.</b>		
Opening fair value of plan assets	85.80	70.55
Expected returns on Plan Assets	6.33	5.64
<b>Remeasurement (Gains)/Losses:</b>		
Actuarial (Gain)/Loss on Plan assets	(0.23)	44.26
Contribution from Employer	5.02	13.71
Benefits paid	(47.96)	(48.36)
Fund Charges	-	-
Benefit paid but pending claim	-	-
<b>Closing fair value of the plan asset</b>	<b>48.96</b>	<b>85.80</b>
<b>Remeasurement effect recognised on Other Comprehensive Income</b>		
Actuarial (Gain)/Loss arising from experience adjustments	0.28	58.72
Actuarial (Gain)/Loss on Plan assets	0.23	(44.26)
<b>Total Actuarial (Gain)/Loss included in OCI</b>	<b>0.51</b>	<b>14.46</b>

The principal assumptions used as at the balance sheet date are used for purpose of actuarial valuations were as follow

**Financial Assumptions**

Discount Rate	<b>7.72%</b>	7.38%
Salary Increase Rate	<b>6.00%</b>	6.00%

**Demographic Assumptions**

Mortality Rate	<b>IALM (2006-08) Ultimate</b>	IALM (2006-08) Ultimate
Withdrawal Rate	<b>5%</b>	5%
Retirement age	<b>58 Years</b>	58 Years

The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality.

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

**Defined Benefit Obligation**

**Discount rate**

a. Discount rate - 50 basis points	<b>71.57</b>	105.13
b. Discount rate + 50 basis points	<b>71.22</b>	105.13

**Salary increase rate**

a. Rate - 50 basis points	<b>71.26</b>	104.99
b. Rate + 50 basis points	<b>71.53</b>	105.12

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would clear in isolation of one another as some of the assumptions may be correlated.

Further more, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**Description of Risk Exposures**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows :

- (i) Salary Increases: Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- (ii) Investment Risk: If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- (iii) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.

**15 Deferred Tax Liabilities (Net)**

<u>Particulars</u>	<u>As at March 31, 2018</u>		<u>As at March 31, 2017</u>		<u>As at April 01, 2016</u>	
	<u>₹ in lacs</u>		<u>₹ in lacs</u>		<u>₹ in lacs</u>	
(a) Deferred tax liabilities on account of Depreciation including on R & D Assets, Amortisation and impairment	<b>76.09</b>		95.90		65.62	
Fair Value Change of Investment through OCI	<b>6.76</b>	<b>82.85</b>				
(b) Deferred tax asset on account of Leave Encashment	<b>(8.23)</b>		(10.28)		(8.26)	
Other tax disallowance	<b>(0.83)</b>	<b>(9.06)</b>	(5.56)	(15.84)	(7.36)	(15.62)
<b>Net deferred tax liability</b>		<b>73.79</b>		<b>80.06</b>		<b>50.00</b>

**16 Other Non-financial liabilities**

<u>Particulars</u>	<u>As at March 31, 2018</u>		<u>As at March 31, 2017</u>		<u>As at April 01, 2016</u>	
	<u>₹ in lacs</u>		<u>₹ in lacs</u>		<u>₹ in lacs</u>	
	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>	<u>Current</u>
(a) Revenue received in advance	-	<b>0.20</b>	-	6.12	-	4.08
(b) Duties & Taxes Payable	-	<b>11.69</b>	-	17.04	-	18.22
(c) Other Payables	-	<b>3.99</b>	-	4.25	-	3.67
<b>Total</b>	-	<b>15.88</b>	-	<b>27.41</b>	-	<b>25.97</b>

**17 Financial Liabilities - Borrowings**

<u>Particulars</u>	<u>As at March 31, 2018</u>		<u>As at March 31, 2017</u>		<u>As at April 01, 2016</u>	
	<u>₹ in lacs</u>		<u>₹ in lacs</u>		<u>₹ in lacs</u>	
	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>	<u>Current</u>
Working Capital Loan from Yes bank	-	<b>128.93</b>	-	143.24	-	17.98
<b>Total Short-Term Borrowings</b>	-	<b>128.93</b>	-	<b>143.24</b>	-	<b>17.98</b>

Working capital loan from Yes Bank carries a negative lien on immovable property of registered office.

**18 Financial Liabilities - Trade Payables**

<u>Particulars</u>	<u>As at March 31, 2018</u>		<u>As at March 31, 2017</u>		<u>As at April 01, 2016</u>	
	<u>₹ in lacs</u>		<u>₹ in lacs</u>		<u>₹ in lacs</u>	
a) Trade Payables for goods and services:						
- Total outstanding dues of Micro and small enterprises #		-		-		-
- Others		<b>668.10</b>		716.22		750.45
b) Acceptances		-		-		-
<b>Total</b>		<b>668.10</b>		<b>716.22</b>		<b>750.45</b>

Trade payables and acceptances are non-interest bearing and are normally settled between 0-120 days.

**# Details of dues to micro and small enterprises as defined under MSMED Act, 2006**

The Company has obtained details from creditors who are registered under the Micro, Small & Medium Enterprises Development Act, 2006. To the extent that the Company has received information it has evaluated that there are no amounts due to the creditors who are registered under the said Act beyond the period of 45 days. The said information has been relied upon by the auditors.



**19 Current Tax Liabilities (Net)**

<u>Particulars</u>	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>	<u>As at April 01, 2016</u>
	₹ in lacs	₹ in lacs	₹ in lacs
(a) Provision for taxation (Net of taxes paid)	12.28	17.98	27.96
<b>Total</b>	<b>12.28</b>	<b>17.98</b>	<b>27.96</b>

**20 Revenue from Operations (Gross)**

<u>Particulars</u>	<u>2017-18</u>	<u>2016-17</u>
	₹ in lacs	₹ in lacs
<b>Sale of Products</b>	<b>4,968.15</b>	5,090.66
<b>Sale of services</b>	<b>634.12</b>	817.36
<b>Other operating revenues</b>		
Sundry Creditors Balances written back	12.72	-
Miscellaneous income	1.54	6.81
<b>Total</b>	<b>5,616.53</b>	<b>5,914.83</b>

**21 Other Income**

<u>Particulars</u>	<u>2017-18</u>	<u>2016-17</u>
	₹ in lacs	₹ in lacs
Interest income	22.40	7.50
Dividend income - from investments	19.17	18.92
Profit on sale of property, plant & equipment	1.96	22.61
Rent Income	125.48	18.72
Foreign Exchange Gain	0.09	1.04
Miscellaneous Income	0.26	-
<b>Total</b>	<b>169.36</b>	<b>68.79</b>

**22 Cost of Materials Consumed**

<u>Particulars</u>	<u>2017-18</u>	<u>2016-17</u>
	₹ in lacs	₹ in lacs
<b>Raw Materials Consumed</b>		
Opening stock	161.71	140.60
Add : Purchases (Net of discount)	1,809.88	1,533.64
	1,971.59	1,674.24
Less : Closing stock	346.30	161.71
	1,625.29	1,512.53
<b>Packing Materials Consumed</b>		
Opening stock	29.48	37.56
Add : Purchases (Net of discount)	219.03	197.03
	248.51	234.59
Less : Closing stock	59.36	29.48
	189.15	205.11
<b>Total</b>	<b>1,814.44</b>	<b>1,717.64</b>

**23 Purchases of Traded Goods**

<u>Particulars</u>	<u>2017-18</u>	<u>2016-17</u>
	₹ in lacs	₹ in lacs
Formulations	2,098.83	1,862.34
Others	19.09	18.12
<b>Total</b>	<b>2,117.92</b>	<b>1,880.46</b>

**24 Changes in inventories of Finished Goods(FG), Work-in-progress(WIP) and Traded Goods**

<u>Particulars</u>	<u>2017-18</u>	<u>2016-17</u>
	<u>₹ in lacs</u>	<u>₹ in lacs</u>
<b>Inventory Adjustments - WIP</b>		
Stock at commencement	32.34	44.10
Less: - Stock at closing	63.53 (31.19)	32.34 11.76
<b>Inventory Adjustments - FG</b>		
Stock at commencement	209.57	125.15
Less: GST credit of excise duty on opening stock	(2.12)	-
Less : Stock at closing	344.99 (137.54)	209.57 (84.42)
<b>Inventory Adjustments - Traded Goods</b>		
Stock at commencement	363.70	302.36
Less: GST credit of excise duty on opening stock	(3.78)	-
Less : Stock at closing	517.21 (157.29)	363.70 (61.34)
<b>Variation in Excise duty on :</b>		
Closing stock of finished goods	-	14.46
Less: Opening stock of finished goods	14.46 (14.46)	8.84 5.62
<b>Total</b>	<b>(340.48)</b>	<b>(128.38)</b>

**25 Employee Benefits Expenses**

<u>Particulars</u>	<u>2017-18</u>	<u>2016-17</u>
	<u>₹ in lacs</u>	<u>₹ in lacs</u>
Salaries , bonus , perquisites , etc.	565.82	594.88
Contribution to provident and other funds	28.23	26.49
Leave encashment	8.24	12.26
Leave travel assistance	5.10	5.93
Gratuity fund contributions	7.68	10.56
Staff welfare expenses	11.92	11.97
Recruitment & training	1.52	0.80
<b>Total</b>	<b>628.51</b>	<b>662.89</b>

**26 Finance Cost**

<u>Particulars</u>	<u>2017-18</u>	<u>2016-17</u>
	<u>₹ in lacs</u>	<u>₹ in lacs</u>
Interest expense	35.82	27.12
<b>Total</b>	<b>35.82</b>	<b>27.12</b>

**27 Depreciation & Amortisation**

<u>Particulars</u>	<u>2017-18</u>	<u>2016-17</u>
	<u>₹ in lacs</u>	<u>₹ in lacs</u>
Depreciation on tangible assets	156.09	104.38
Amortisation on intangible assets	1.06	3.36
<b>Total</b>	<b>157.15</b>	<b>107.74</b>

**28 Other Expenses**

<u>Particulars</u>	<u>2017-18</u>	<u>2016-17</u>
	<u>₹ in lacs</u>	<u>₹ in lacs</u>
Consumption of stores and spares	40.65	62.84
Power and fuel	129.73	137.94
Water charges	3.93	6.18
Freight, forwarding and transportation	131.77	130.69
Outside manufacturing charges	217.41	193.77
Repairs and maintenance	36.53	56.29
Loss on sale of property, plant & equipment	8.49	17.30
Property, plant & equipment scrapped	9.49	5.35
Commission on sales and brokerage	6.25	279.49
Field staff expenses	77.95	76.22
Sales and marketing expenses	7.91	6.66
Product information catalogue	3.86	2.03
Laboratory expenses and analytical Charges	41.02	36.04
Expenditure on research & development	4.50	-
Rent	31.51	11.88
Rates and taxes	41.25	32.56
Travelling expenses	22.13	13.99
Professional charges	12.29	16.27
Printing and stationery	7.54	6.77
Books, subscription and software	24.55	0.85
Excise duty	4.28	37.55
Communication expenses	5.12	5.35
Insurance	11.89	12.60
Intellectual property right expenses	4.22	4.00
Remuneration to auditors	6.36	3.45
Bank charges	0.11	0.20
Loss on financial assets measured at FVTPL	7.92	-
Provision for doubtful debts/advances	(6.46)	(24.83)
Bad debts and other balance w/off	9.02	1.56
Security Charges	11.27	13.37
Miscellaneous expenses (none of which individually forms more than 1% of the operating revenue)	14.54	12.82
<b>Total</b>	<b>927.03</b>	<b>1,159.19</b>

**Particulars**
**2017-18**
**2016-17**
**₹ in lacs**
**₹ in lacs**
**Details of:**
**1 Repairs and Maintenance:**

- Building	11.06	17.52
- Machinery	23.88	36.90
- Others	1.59	1.87
	<b>36.53</b>	<b>56.29</b>

**2 Remuneration To Auditors:**

- Audit fees including Limited Review	3.90	2.06
- Tax matters	1.75	0.75
- Other services and Out of pocket expenses	0.71	0.65
	<b>6.36</b>	<b>3.45</b>

**i) Total expenditure on R & D is included in respective heads of accounts as under:**

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
(a) Employee benefits expenses	2.27	0.21
(b) Cost of materials consumed	2.96	0.25
(c) Laboratory Expenses	1.53	0.61
(d) Depreciation	9.49	1.13
<b>Total</b>	<b>16.25</b>	<b>2.20</b>

**29 Tax Expense- Profit and Loss Account**

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
(a) Current Tax	136.17	133.61
(b) Deferred Tax	(13.03)	30.06
(c) Short / Excess Provision of earlier years	(5.28)	-
<b>Total</b>	<b>117.86</b>	<b>163.67</b>

**29A Tax Expense- Other Comprehensive Income**

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
(a) Current Tax	(0.17)	1.61
(b) Deferred Tax	6.76	-
<b>Total</b>	<b>6.59</b>	<b>1.61</b>

**(i) Reconciliation of current rate of tax and effective rate of tax:**

<b>Profit before Income taxes</b>	<b>423.55</b>	533.64
Enacted tax rates in India (%)	33.06%	33.06%
Computed expected tax expenses	140.04	176.44
Tax effect due to incentives	-	-
Accelerated Depreciation	(15.08)	(21.67)
Effect of exempt income	(4.68)	(4.15)
Effect of non- deductible expenses	2.53	2.35
Additional deduction on Research and Development Expenses	(7.35)	(11.76)
Others	20.71	(7.60)
<b>Income tax expenses - Net</b>	<b>136.17</b>	<b>133.61</b>

**(i) Reconciliation of Deferred Tax of Profit and loss account and Other Comprehensive Income**

Deferred tax (assets) / liabilities in relation to statement of profit and loss:

<b>Particulars</b>	<b>₹ in lacs</b>				
	<b>As at March 31, 2018</b>	<b>Recognised in profit/ loss</b>	<b>As at March 31, 2017</b>	<b>Recognised in profit/ loss</b>	<b>As at April 01, 2016</b>
Property, Plant & Equipment	76.09	(19.81)	95.90	30.28	65.62
Compensated absences	(8.23)	2.04	(10.27)	(2.01)	(8.26)
Expenses	(0.83)	4.74	(5.57)	1.79	(7.36)
<b>Total</b>	<b>67.03</b>	<b>(13.03)</b>	<b>80.06</b>	<b>30.06</b>	<b>50.00</b>

Deferred tax (assets) / liabilities in relation to Other Comprehensive Income:

Fair value change of Investment held through OCI	6.76	6.76	-	-	-
<b>Total as per Balance Sheet</b>	<b>73.79</b>	<b>-</b>	<b>80.06</b>	<b>-</b>	<b>50.00</b>

**30 Disclosure as required by Accounting Standard – IND AS 33 “Earning Per Share” of the Companies (Indian Accounting Standards) Rules 2015.**

The earning per share is calculated by dividing the profit after tax by weighted average no. of shares outstanding for basic & diluted EPS.

<u>Particulars</u>	<u>2017-18</u>	<u>2016-17</u>
	<u>₹ in lacs</u>	<u>₹ in lacs</u>
(i) Profit after tax	305.69	369.97
(ii) Profit after tax and exceptional Items	305.69	369.97
(ii) Closing equity shares outstanding (Nos.)		
Opening equity shares outstanding (Nos.)	4,916,980	4,916,980
Add:- issued during the year (Nos.)	-	-
Closing equity shares outstanding (Nos.)	4,916,980	4,916,980
(iii) Weighted avg no. of shares outstanding (Nos.) (Basic)	4,916,980	4,916,980
(iv) Weighted avg no. of shares outstanding (Nos.) (Diluted)	4,916,980	4,916,980
(v) Nominal value of equity share (₹)	10.00	10.00
(vi) Basic EPS (i/iii) (₹)	6.22	7.52
(vii) Diluted EPS (i/iv) (₹)	6.22	7.52

**31 Disclosure in accordance with Ind AS – 17 “Leases”, of the Companies (Indian Accounting Standards) Rules, 2015.**

The Company has taken various residential / godowns / offices premises (including Furniture and Fittings if any) under leave and license agreements. These generally range between 11 months to 3 years under leave and license basis and are cancellable. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognized in the Statement of Profit and Loss under Rent.

**32 Disclosure as required by IND AS 108 “Operating Segment”, of the Companies (Indian Accounting Standards) Rules, 2015.**

Based on the “management approach” as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company’s performance In accordance with IND AS “Operating Segment”, The Company has only one reportable operating segment i.e. Pharmaceuticals.

Revenue contributed in excess of 10% of total revenue relates only to one major customer M/s Ipca Laboratories Limited.

**33 Disclosure in accordance with Ind AS - 24 “Related Party Disclosures”, of the Companies ( Indian Accounting Standards) Rules, 2015**

**A) List of related parties**

<b>Relationships</b>	<b>Country</b>
<b>(i) Entities having significant influence</b>	
Shareholders of Makers Laboratories Ltd	
Kaygee Investments Pvt.Ltd.	India
(Promoter holding together with its subsidiary more than 20%)	
<b>(ii) Key Management Personnel</b>	
Mr. Saahil Parikh	Wholtime Director
Mrs. Purnima Jain	Wholtime Director
	(Till 29th October 2017)
Mr K.C Jain	Independent Director
Mr Sudarshan Loyalka	Independent Director
Dr Rajeshwar Singh	Independent Director
Advocate Mrs Dipti Shah	Independent Director

(iii) **Entities in which promoters have significant influence**

Ipca Laboratories Ltd. Indian

(v) **Other Related Parties (Entities in which Directors or their relatives have significant influence)**

Mr. Umesh Parikh India

**B) Details of related party transaction are given in statement 1 Attached to the financial statement.**

**34 Contingent liabilities and Commitments**

**A) Contingent Liabilities**

<u>Particulars</u>	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Counter Guarantees given to Banks in respect of guarantees given by the bank on behalf of the Company to Government Authorities	<b>11.31</b>	10.60
Other moneys for which the Company is contingently liable for tax and other matters not accepted by the Company	<b>87.36</b>	-
<b>Total</b>	<b>98.67</b>	10.60

**B) Commitments**

<u>Particulars</u>	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
<b>(a) Estimated amount of contracts remaining to be executed on capital account. (Net of Capital Advances)</b>		
Tangible Assets	<b>5.92</b>	8.75
	<b>5.92</b>	8.75

**35 Significant accounting judgments, estimates and assumptions**

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures 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 .

**a) Judgments**

In the process of applying the company's accounting policies, management has made judgments, which have significant effect on the amounts recognised in the separate financial statements.

**b) Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**c) Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan 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.



Particulars	As at 31st March, 2017 (End of Last Period presented under previous GAAP)			As at 1st April, 2016 (Date of Transition)			
	Notes to first time adoption	Previous GAAP	Effect of Transition to IND AS	March 31, 2017	Previous GAAP	Effect of Transition to IND AS	As per IND AS Balance Sheet
	₹ in lacs			₹ in lacs			
<b>(2) Current assets</b>							
(a) Inventories		753.85	45.39	799.24	610.69	44.26	654.95
(b) Financial assets							
i. Investments		-	-	-	-	-	-
ii. Trade receivables	ii)	1,226.47	(20.21)	1,206.26	1,415.36	(45.04)	1,370.31
iii. Cash and cash equivalents		410.77	-	410.77	115.19	-	115.19
iv. Bank balances other than (iii) above		7.76	-	7.76	5.87	-	5.87
v. Loans		4.44	-	4.44	0.67	-	0.67
vi. Other financial assets		3.42	-	3.42	68.15	-	68.15
(c) Current Tax Assets (Net)		-	-	-	-	-	-
(d) Other current non-financial assets		68.02	-	68.02	45.81	-	45.81
(e) Non Current Assets Held for Sale		-	-	-	-	89.22	89.22
<b>Total current assets</b>		<b>2,474.73</b>	<b>25.18</b>	<b>2,499.91</b>	<b>2,261.74</b>	<b>88.43</b>	<b>2,350.17</b>
<b>Total assets</b>		<b>4,518.52</b>	<b>501.57</b>	<b>5,020.09</b>	<b>4,010.46</b>	<b>424.20</b>	<b>4,434.66</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity share capital		491.70	-	491.70	491.70	-	491.70
(b) Other equity	viii)	2,494.33	420.34	2,914.67	2,142.27	423.06	2,565.33
<b>Total equity</b>		<b>2,986.03</b>	<b>420.34</b>	<b>3,406.37</b>	<b>2,633.97</b>	<b>423.06</b>	<b>3,057.03</b>
<b>LIABILITIES</b>							
<b>(1) Non-current liabilities</b>							
(a) Financial liabilities							
i. Borrowings		-	-	-	-	-	-
ii. Other financial liabilities		-	-	-	-	-	-
(b) Provisions		23.13	-	23.13	17.57	-	17.57
(c) Deferred tax liabilities (Net)		80.06	-	80.06	50.00	-	50.00
(d) Other non-current non-financial liabilities							
<b>Total non-current liabilities</b>		<b>103.19</b>	<b>-</b>	<b>103.19</b>	<b>67.57</b>	<b>-</b>	<b>67.57</b>
<b>(2) Current liabilities</b>							
(a) Financial liabilities							
i. Borrowings		143.24	-	143.24	17.98	-	17.98
ii. Trade payables		716.22	-	716.22	750.45	-	750.45
iii. Other financial liabilities		503.14	-	503.14	402.60	-	402.60
(b) Other current non-financial liabilities		27.41	-	27.41	25.97	-	25.97
(c) Provisions		21.31	81.23	102.54	83.96	1.14	85.10
(d) Current tax liabilities		17.98	-	17.98	27.96	-	27.96
<b>Total current liabilities</b>		<b>1,429.30</b>	<b>81.23</b>	<b>1,510.53</b>	<b>1,308.92</b>	<b>1.14</b>	<b>1,310.06</b>
<b>Total liabilities</b>		<b>1,532.49</b>	<b>81.23</b>	<b>1,613.72</b>	<b>1,376.49</b>	<b>1.14</b>	<b>1,377.63</b>
<b>Total equity and liabilities</b>		<b>4,518.52</b>	<b>501.57</b>	<b>5,020.09</b>	<b>4,010.46</b>	<b>424.20</b>	<b>4,434.66</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



**B Effect of IND AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017**

Particulars	Notes to first time adoption	₹ in lacs		
		Previous GAAP	Effect of Transition to IND AS	2016-17
<b>(I) Income</b>				
Revenue from operations	iv) & v)	5,814.69	100.14	5,914.83
Other income		68.79	-	68.79
<b>Total income</b>		<b>5,883.48</b>	<b>100.14</b>	<b>5,983.62</b>
<b>(II) Expenses</b>				
Cost of materials consumed		1,717.64	-	1,717.64
Purchases of stock in trade		1,880.46	-	1,880.46
Change in inventories of work-in-progress, stock-in-trade and finished goods	iv)	(127.23)	(1.15)	(128.38)
Excise duty	v)	-	101.70	101.70
Employee benefit expense	iii)	658.03	4.86	662.89
Finance costs		27.12	-	27.12
Depreciation and amortisation expense	ix)	108.44	(0.70)	107.74
Other expenses	ii)	1,184.02	(24.83)	1,159.19
<b>Total expenses</b>		<b>5,448.48</b>	<b>79.88</b>	<b>5,528.36</b>
<b>Profit before exceptional items and tax</b>		<b>435.00</b>	<b>20.26</b>	<b>455.26</b>
Exceptional items	x)	79.09	(0.70)	78.38
<b>Profit before tax from continuing operations</b>		<b>514.09</b>	<b>19.55</b>	<b>533.64</b>
Income tax expense				
1. Current Tax		132.00	1.61	133.61
2. Short / Excess Provision of earlier years		-	-	-
3. Deferred Tax Liability / (asset)		30.06	-	30.06
Total tax expense		162.06	1.61	163.67
Profit from continuing operations		352.03	17.95	369.97
Profit from discontinued operation		-	-	-
<b>Profit for the year</b>		<b>352.03</b>	<b>17.95</b>	<b>369.97</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>38.55</b>	<b>38.55</b>
<b>Total comprehensive income</b>		<b>352.03</b>	<b>56.49</b>	<b>408.52</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**C Reconciliation of total Equity as at March 31, 2017 and April 1, 2016**

Particulars	₹ in lacs	
	Notes to first time adoption	31-Mar-17 1-Apr-16
Total equity (shareholder's funds) as per previous GAAP		2,986.03 2,633.97
<b>Adjustments:</b>		
Proposed dividend and tax on dividend	vii)	- 59.18
Fair value measurement of Financial Assets	i)	476.39 424.99
Expected Credit loss adjustment	ii)	(20.21) (45.04)
Effect of Ind AS 18	iv)	(16.49) (16.06)
Tax effects of adjustments		- -
Employee benefit adjustment (Net of Tax)	iii)	(19.35) -
<b>Total adjustments</b>		<b>420.34 423.06</b>
<b>Total equity as per Ind AS</b>		<b>3,406.37 3,057.03</b>

**D Notes to effect of first time adoption****i) FVTPL Financial assets**

Under Indian GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and previous GAAP carrying amount has been recognised under retained earnings. On this account of this adjustment the remeasurement increased by ₹ 476.39 lacs as at March 31, 2017 and is increased by ₹ 424.99 Lacs as at April 01, 2016.

**ii) Trade Receivables**

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts is ₹ 20.21 Lacs as at March 31, 2017 and ₹ 45.04 Lacs as at April 01, 2016. During FY 2016-2017 profit due to reversal of expected credit loss increased by ₹ 24.83 Lacs.

**iii) Defined benefit liabilities**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Accordingly ₹ 29.72 Lacs net of tax thereon has been adjusted in statement of changes in equity from retained earnings as at April 01, 2016. The adjustment for the year ended March 31, 2017 is ₹ 11.38 Lacs net of the tax effect thereon in other comprehensive income and ₹ 4.86 Lacs in Profit and Loss. As a result of this change, the retained earnings as at April 01, 2016 and profit for the year ended March 31, 2017 has been adjusted. There is no impact on the total equity as at 31 March 2016.

**iv) Provisions for expiry, returns and breakage/damage.**

The Company has estimated probable expiry, returns and breakage / damage based on past trends and has made provision thereon as required by Ind AS 18 "Revenue recognition". On account of this change, the retained earnings as at April 01, 2016 has been decreased by ₹ 16.06 Lacs with consequent increase in provision. There is decrease in profit for the year ended March 31, 2017 of ₹ 1.56 Lacs. Accordingly Inventory value was increased by ₹ 45.39 Lacs as on April 01, 2016 and reduced by ₹ 44.26 Lacs as on March 31, 2017 thus reducing expense by ₹ 1.13 Lacs during the year 2016-2017.

**v) Excise duty**

Under Indian GAAP, sale of goods was presented as net of excise duty. However under Ind AS, sale of Goods includes excise duty. Excise duty is accounted as a cost under other Expenses. Thus sale of goods under Ind AS has increased by ₹ 101.70 Lacs in March 2017 with a corresponding increase in excise duty on sale expense account, There is no impact on total equity.

**vi) Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

**vii) Proposed Dividend**

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability as at March 31, 2016. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 49.17 Lacs and ₹ 10.01 Lacs tax liability as at March 31, 2016 has been reversed back to retained earnings. The same is charged to retained earnings during the year ended March 31, 2017 on approval by the shareholders. There is no impact on equity as at March 31, 2017.

**viii) Retained earning**

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**ix) Non Current Assets held for Sale**

Under Previous GAAP there was no separate measurement or classification requirement for Non-Current Asset to be sold in future. However Ind AS 105 requires a non-current asset to be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than continuing use. Accordingly entity has classified one of the manufacturing unit located at Dombivali as Non current Asset held for sale. As a result of this, Carrying amount of ₹ 89.22 Lacs as on 01st April 2016, which was classified into various individually assets located at unit was reclassified as Non-current Asset Held for Sale. During the Financial year 2016-2017, Depreciation of ₹ 0.70 Lacs charged on those asset was reversed and according profit on sale reduced by equal amount, thus there was no impact on profit due to same.

**38 Recent Accounting Pronouncement**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

**39 Financial Instruments**

The carrying value and fair value of financial instruments by categories as at March 31, 2018, March 31, 2017 and April 1, 2016 is as follows:

Particulars	₹ in Lacs					
	Carrying Value			Fair Value		
	31/3/2018	31/3/2017	1/4/2016	31/3/2018	31/3/2017	1/4/2016
<b>Financial assets</b>						
<b>Amortised Cost</b>						
Loans	23.68	8.84	5.30	23.68	8.84	5.30
Others	57.58	14.02	68.75	57.58	14.02	68.75
Trade receivables	1,121.58	1,206.26	1,370.31	1,121.58	1,206.26	1,370.31
Cash and cash equivalents	23.42	418.53	121.06	23.42	418.53	121.06
<b>FVTPL</b>						
Equity Instruments	69.46	-	-	69.46	-	-
Mutual funds considered as Cash and Cash Equivalents	100.19	-	-	100.19	-	-
<b>FVTOCI</b>						
Equity Instruments	748.03	711.61	660.21	748.03	711.61	660.21
<b>Total Financial Assets</b>	<b>2,143.94</b>	<b>2,359.26</b>	<b>2,225.63</b>	<b>2,143.94</b>	<b>2,359.26</b>	<b>2,225.63</b>

<u>Particulars</u>	₹ in Lacs					
	Carrying Value			Fair Value		
	31/3/2018	31/3/2017	1/4/2016	31/3/2018	31/3/2017	1/4/2016
<b>Financial liabilities</b>						
<b>Amortised Cost</b>						
Borrowings	128.93	143.24	17.98	128.93	143.24	17.98
Trade payables	668.10	716.22	750.45	668.10	716.22	750.45
Others	633.67	503.14	402.60	633.67	503.14	402.60
<b>Total Financial Liabilities</b>	<b>1,430.70</b>	<b>1,362.60</b>	<b>1,171.03</b>	<b>1,430.70</b>	<b>1,362.60</b>	<b>1,171.03</b>

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, cash credit and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### 40 Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

<u>Particulars</u>	Date of Valuation	Fair Value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial assets measured at fair value through P&amp;L</b>					
Listed Equity investments	31/3/2018	69.46	-	-	69.46
Mutual Funds- Dividend Plan	31/3/2018	100.19	-	-	100.19
<b>Total financial assets measures at FVTPL</b>		<b>169.65</b>	<b>-</b>	<b>-</b>	<b>169.65</b>
<b>Financial assets measured at fair value through OCI</b>					
Listed Equity investments	31/3/2018	665.35	-	-	665.35
Unlisted Equity investments	31/3/2018	-	82.68	-	82.68
<b>Total financial assets measures at FVTOCI</b>		<b>665.35</b>	<b>82.68</b>	<b>-</b>	<b>748.03</b>
<b>Financial assets measured at amortised cost</b>					
Loans	31/3/2018	-	-	23.68	23.68
Others	31/3/2018	-	-	57.58	57.58
Trade receivables	31/3/2018	-	-	1,121.58	1,121.58
Cash and cash equivalents	31/3/2018	-	-	23.42	23.42
<b>Total financial assets measures at amortised cost</b>		<b>-</b>	<b>-</b>	<b>1,226.26</b>	<b>1,226.26</b>

Particulars	Fair Value measurement using				₹ in Lacs
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial liabilities measured at amortised cost</b>					
Borrowings	31/3/2018	-	-	128.93	128.93
Trade payables	31/3/2018	-	-	668.10	668.10
Others	31/3/2018	-	-	633.67	633.67
<b>Total financial liabilities measures at amortised cost</b>		-	-	<b>1,430.70</b>	<b>1,430.70</b>
<b>Financial assets measured at fair value through OCI</b>					
Listed Equity investments	31/3/2017	633.08	-	-	633.08
Unlisted Equity investments	31/3/2017	-	78.53	-	78.53
<b>Total financial assets</b>		<b>633.08</b>	<b>78.53</b>	-	<b>711.61</b>
<b>Financial assets measured at amortised cost</b>					
Loans	31/3/2017	-	-	8.84	8.84
Others	31/3/2017	-	-	14.02	14.02
Trade receivables	31/3/2017	-	-	1,206.26	1,206.26
Cash and cash equivalents	31/3/2017	-	-	418.53	418.53
<b>Total financial assets measures at amortised cost</b>		-	-	<b>1,647.65</b>	<b>1,647.65</b>
<b>Financial liabilities measured at amortised cost</b>					
Borrowings	31/3/2017	-	-	143.24	143.24
Trade payables	31/3/2017	-	-	716.22	716.22
Others	31/3/2017	-	-	503.14	503.14
<b>Total financial liabilities measures at amortised cost</b>		-	-	<b>1,362.60</b>	<b>1,362.60</b>
<b>Financial assets measured at fair value through OCI</b>					
Listed Equity investments	1/4/2016	588.33	-	-	588.33
Unlisted Equity investments	1/4/2016	-	71.88	-	71.88
<b>Total financial assets</b>		<b>588.33</b>	<b>71.88</b>	-	<b>660.21</b>
<b>Financial assets measured at amortised cost</b>					
Loans	1/4/2016	-	-	5.30	5.30
Others	1/4/2016	-	-	68.75	68.75
Trade receivables	1/4/2016	-	-	1,370.31	1,370.31
Cash and cash equivalents	1/4/2016	-	-	121.06	121.06
<b>Total financial assets measures at amortised cost</b>		-	-	<b>1,565.42</b>	<b>1,565.42</b>
<b>Financial liabilities measured at amortised cost</b>					
Borrowings	1/4/2016	-	-	17.98	17.98
Trade payables	1/4/2016	-	-	750.45	750.45
Others	1/4/2016	-	-	402.60	402.60
<b>Total financial liabilities measures at amortised cost</b>		-	-	<b>1,171.03</b>	<b>1,171.03</b>

#### 41 Financial Risk Factors

The Company's business activities are exposed to a variety of financial risks: Market/Business risk, credit risk, Exchange risk, etc. The Company's focus is to foresee the unpredictability of financial and business risks and seek to minimize potential adverse effects of these risks on its business and financial performance.

##### (i) Business/Market Risk

The primary business/market risk to the Company is the price risk. There was decrease in the income in FY 2017-2018 mainly on account of lower price realisation in few generic formulations market due to competitive nature of the market and also due to reduction in the selling prices of many formulations due to price reductions made under the drug pricing regime in the country.

The Indian generic formulations market is currently in the growth phase. It is expected that use of generic formulations will gradually increase in India. However, cut throat competition, quality issues of generics manufactured in the country and non existence of organised generic formulations distribution and retailing system are a cause of concern and is hampering the growth of generic formulations market.

##### (ii) Credit Risk

The Company has exposure to credit risks associated with sales to various Customers. To mitigate these credit risks arising out of this, the Company on a regular basis evaluates the credit risk associated with a customer. Customer where no credit insurance is available, the Company monitors such risk by continuously monitoring its exposure to such customer. Based on the historical data, the Company has made adequate provisions for expected loss because of credit risk, which is neither significant nor material.

#### 42 Capital Management

For the purpose of the Company's capital management, capital includes paid-up equity share capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust its dividend payment ratio to shareholders, return capital to shareholders or issue fresh shares. The Company monitors capital using a gearing ratio, which is net debt divided by its total capital. The Company includes within its net debt the cash credit facilities, trade and other payables less cash and cash equivalents.

<u>Particulars</u>	₹ in Lacs		
	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
Borrowings other than convertible preference shares	<b>128.93</b>	143.24	17.98
Trade payables	<b>668.10</b>	716.22	750.45
Other payables	<b>633.67</b>	503.14	402.60
Less: Cash and Cash Equivalents (C&CE)	<b>(16.08)</b>	(410.77)	(115.19)
Net debt	<b>1,414.62</b>	951.83	1,055.84
Total Equity Capital and net debt	<b>3,682.19</b>	3,406.37	3,057.03
Gearing ratio	<b>38.42%</b>	27.94%	34.54%

No changes were made in the objectives, policies or processes for managing the capital during the years ended March 31, 2018 and March 31, 2017.

- 43 Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non - cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. There is no non cash adjustment and the amendment is not likely to have any significant impact in the future.

- 44** The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2018.

As per our report of even date attached  
For **Natvarial Vepari & Co.**  
Chartered Accountants  
Firm Registration No. 106971W

**N. Jayendran**  
Partner  
M.No. 40441  
Mumbai May 23, 2018

**For and on behalf of the Board of Directors**

**Saahil Parikh**  
(DIN 00400079)  
Wholetime Director

**K.C Jain**  
(DIN 00021239)  
Director

**Khyati Danani**  
(ACS 21844)  
Company Secretary

**Statement 1 (refer Note No. 33)**

Related Party Disclosure as required by Indian Accounting Standard – IND AS 24 “Related Party Transactions” of the Companies (Accounting Standards) Rule 2015.

**Transactions with Related Parties**
**(₹ in Lacs)**

Description	Entities having significant influence		Key Management Personnel		Entities in which promoters have significant influence		Other Related Parties		Total	
	Subsidiaries		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
	2017-18	2016-17								
<b>Purchase of goods and services</b>										
Ipca Laboratories Ltd					138.60	248.45			138.60	248.45
<b>TOTAL</b>	-	-	-	-	<b>138.60</b>	<b>248.45</b>	-	-	<b>138.60</b>	<b>248.45</b>
<b>Sales of goods and services</b>										
Ipca Laboratories Ltd					726.56	817.93			726.56	817.93
<b>TOTAL</b>	-	-	-	-	<b>726.56</b>	<b>817.93</b>	-	-	<b>726.56</b>	<b>817.93</b>
<b>Rent income</b>										
Ipca Laboratories Ltd					3.43	20.57			3.43	20.57
<b>TOTAL</b>	-	-	-	-	<b>3.43</b>	<b>20.57</b>	-	-	<b>3.43</b>	<b>20.57</b>
<b>Purchase of fixed assets</b>										
Ipca Laboratories Ltd	-	-	-	-	-	4.04	-	-	-	4.04
<b>TOTAL</b>	-	-	-	-	-	<b>4.04</b>	-	-	-	<b>4.04</b>
<b>Excise duty and other expenses reimbursements</b>										
Ipca Laboratories Ltd					35.38	148.41			35.38	148.41
<b>TOTAL</b>	-	-	-	-	<b>35.38</b>	<b>148.41</b>	-	-	<b>35.38</b>	<b>148.41</b>
<b>Dividend Income</b>										
Ipca Laboratories Ltd					1.01	-			1.01	-
<b>TOTAL</b>	-	-	-	-	<b>1.01</b>	-	-	-	<b>1.01</b>	-
<b>Excise duty and other expenses paid</b>										
Ipca Laboratories Ltd					37.47	83.62			37.47	83.62
<b>TOTAL</b>	-	-	-	-	<b>37.47</b>	<b>83.62</b>	-	-	<b>37.47</b>	<b>83.62</b>
<b>Remuneration to Directors</b>										
Mrs. Purnima Jain			20.24	35.67					20.24	35.67
Mr. Saahil Parikh			34.87	30.62					34.87	30.62
<b>TOTAL</b>	-	-	<b>55.12</b>	<b>66.29</b>	-	-	-	-	<b>55.12</b>	<b>66.29</b>
<b>Post Employment Benefits</b>										
Mrs. Purnima Jain			36.81	-					36.81	-
<b>TOTAL</b>	-	-	<b>36.81</b>	-	-	-	-	-	<b>36.81</b>	-
<b>Provident Fund</b>										
Mrs. Purnima Jain			1.85	2.99					1.85	2.99
Mr. Saahil Parikh			2.63	2.29					2.63	2.29
<b>TOTAL</b>	-	-	<b>4.47</b>	<b>5.28</b>	-	-	-	-	<b>4.47</b>	<b>5.28</b>
<b>Sitting Fee to Non-executive Directors</b>										
Mr. K C Jain			1.20	1.20					1.20	1.20
Mr. S V Loyalka			0.95	0.90					0.95	0.90
Dr. Rajeshwar Singh			1.20	1.20					1.20	1.20
Mrs. Dipti Shah			0.15	-					0.15	-
<b>TOTAL</b>	-	-	<b>3.50</b>	<b>3.30</b>	-	-	-	-	<b>3.50</b>	<b>3.30</b>
<b>Salaries Paid</b>										
Others			-	-	-	-	16.83	16.21	16.83	16.21
<b>TOTAL</b>	-	-	-	-	-	-	<b>16.83</b>	<b>16.21</b>	<b>16.83</b>	<b>16.21</b>
<b>Balance at year end</b>										
<b>Receivables</b>										
Ipca Laboratories Ltd					131.30	248.68			131.30	248.68
<b>TOTAL</b>	-	-	-	-	<b>131.30</b>	<b>248.68</b>	-	-	<b>131.30</b>	<b>248.68</b>
<b>Payables</b>										
Ipca Laboratories Ltd					30.78	59.22			30.78	59.22
<b>TOTAL</b>	-	-	-	-	<b>30.78</b>	<b>59.22</b>	-	-	<b>30.78</b>	<b>59.22</b>





**Makers Laboratories Limited**

Registered Office: 54D, Kandivli Industrial Estate, Kandivli (W), Mumbai - 400067 Tel: 022-2868 8544 Fax: 022-2868 8544  
CIN: L24230MH1984PLC033389, Email: investors@makerslabs.com, Website: www.makerslabs.com

**ATTENDANCE SLIP**

**33<sup>RD</sup> ANNUAL GENERAL MEETING ON THURSDAY, 2<sup>ND</sup> AUGUST, 2018 AT 11.00 A.M.**

Folio/D.P. & Client I.D. No. :  
Name :  
Address :  
Joint Holder (s) :  
No. of Equity shares held :

I / We hereby record my presence at the **33<sup>RD</sup> ANNUAL GENERAL MEETING** of the Company held at Anand Mangal Hall, Plot No. 150, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai – 400 067 on Thursday, 2<sup>nd</sup> August, 2018 at 11.00 a.m.

Member's/Proxy's name in Block Letters \_\_\_\_\_

Member's/Proxy's Signature \_\_\_\_\_

NOTE: Please complete and sign this Attendance Slip and hand it over at the attendance verification counter at the ENTRANCE OF THE MEETING HALL.

**Makers Laboratories Limited**

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**FORM NO. MGT - 11  
PROXY FORM**

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

Name of the member(s):	
Registered address:	
No. of Shares held:	
Folio No/ DP Id & Client Id:	
E-mail Id:	

I/We, being the member (s) of \_\_\_\_\_ shares of Makers Laboratories Limited hereby appoint:

- Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him / her;
- Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him / her;
- Name: ..... Address: .....  
E-mail Id: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33<sup>rd</sup> ANNUAL GENERAL MEETING of the Company to be held at Anand Mangal Hall, Plot No. 150, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai – 400 067 on Thursday, 2<sup>nd</sup> August, 2018 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolution	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent the Resolution (AGAINST)
<b>Ordinary Business:</b>				
1	Adoption of Audited Financial Statements, Report of the Board of Directors and Auditors for the financial year ended 31 <sup>st</sup> March, 2018.			
2	Declaration of dividend on equity shares.			
3	Re-appointment of Mr. Saahil Parikh (DIN 00400079), who retires by rotation, as a Director.			
4	Ratification of Auditors appointment.			
<b>Special Business:</b>				
5	Appointment of Ms. Dipti Shah (DIN 07995542) as Director / Independent Director.			
6	Remuneration payable to Cost Auditors.			

Signature of Shareholder(s): ..... Signed this..... day of ..... 2018

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



**Notes:**

- This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 33<sup>rd</sup> Annual General Meeting.



## MAKERS LABORATORIES LIMITED

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and forming part of the Directors' Report for the year ended 31st March, 2018

Sr. No.	Name of the Employee	Designation	Age (Years)	Qualification	Date of Joining	Remuneration (₹)	Experience (Years)	Last Employment held before joining the Company	% of equity shares held in the Company
1	SAAHIL PARIKH	WHOLETIME DIRECTOR/ CEO	43	B SC, DMS	01/07/1996	37,50,096	21.10	-	0.01
2	NILESH SHIVRAJ JAIN	SR. MANAGER - MATERIALS	43	B COM, M.M.S	28/03/2017	15,00,000	21.01	MESA TRADE CORPORATION	
3	ANIL TELANG	VICE PRESIDENT- MARKETING	62	B.SC	01/06/2017	18,50,000	33.11	ALLOYES PHARMACEUTICALS	
4	UMESH S PARIKH	GENERAL MANAGER - OPERATIONS	70	B COM	05/04/1983	16,83,052	35.00	-	0.22
5	KHYATI HEMANG DAMANI	COMPANY SECRETARY	35	BCOM, ACS, LLB	09/08/2016	10,45,730	06.09	FIRSTSOURCE SOLUTIONS LTD., MANAGER - CORPORATE SECRETARIAL	-
6	NEERAJ KUMAR SINGH	SALES HEAD	46	BA	02/08/2017	7,70,024	21.09	PEHAL PETRO	
7	SANDEEP N KADAM*	MANAGER - ACCOUNTS/ CFO	51	B COM	26/12/1996	7,62,123	29.11	M/S ATV PROJECTS INDIA LTD, ACCOUNTS ASSISTANT	-
8	REKHA M KOTIA	MANAGER - Q A	54	B PHARM	10/10/2011	6,82,800	24.07	CHANDRABHAGAT PVT LTD, Q.A. MANAGER	-
9	RAJESH B PATEL	MANAGER - PRODUCTION	48	B SC	10/01/1992	5,88,950	26.04	-	-
10	VAISHALI A UPARE	MANAGER- ACCOUNTS	41	B COM	01/06/2008	5,84,330	09.11	SAUMYA CONSTRUCTIONS PVT. LTD	-
11	PURNIMA JAIN (upto 30.10.2017)	WHOLETIME DIRECTOR	66	B COM, LLB	09/01/1989	58,89,744	28.03	M/S. JAYANT VITAMIN PVT.LTD	0.01

\* Appointed as CFO w.e.f. 30.10.2017

Notes:

- All the employees have adequate experience to discharge the responsibilities assigned to them.
- Nature of employment is contractual for all employees.
- Except Mr. Umesh Parikh, father of Mr. Saahil Parikh, Wholetime Director, none of the other employees are related to any Director of the Company.
- Remuneration includes Salary, Commission, Allowances, Leave Travel Assistance, Ex-Gratia, Leave Encashment, Medical Reimbursement, Gratuity, Company's contribution to the employees' Provident Fund, National pension scheme, Family Pension Fund and Superannuation Funds.
- Perquisites are valued as per Income Tax Rule.

Mumbai, 23<sup>rd</sup> May, 2018

For and on behalf of the Board

Saahil Parikh  
Wholetime Director

K. C. Jain  
Director





## **Makers Laboratories Limited**

Registered Office:

54-D, Kandivli Industrial Estate,  
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