DRAFT LETTER OF OFFER
Date : [●]
For our Equity Shareholders only

Makers Laboratories Limited

CIN : L24230MH1984PLC033389

(Incorporated under the Companies Act, 1956 and the Certificate of Incorporation was issued by the Registrar of Companies, Maharashtra, Mumbai on July 9, 1984. The Certificate of Commencement of Business was issued by the Registrar of Companies, Maharashtra, Mumbai on July 21, 1984. For further details, please see Chapter on "Details of our Industry and Business" on page 38.

Regd Office: 54-D, Kandivli Industrial Estates, Kandivli (W), Mumbai, Maharashtra, 400067
Tel: No. 022-28688544; **E-mail:** investors@makerslabs.com; website : www.makerslabs.com
Contact Person: [●], Company Secretary and Compliance Officer

Promoters: Mr. Premchand Godha and Mr. Madhukar R Chandurkar

LETTER OF OFFER

ISSUE OF 9,83,396 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PREMIUM OF RS. 140/- PER EQUITY AGGREGATING TO RS. 1,475.09 LAKHS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY ON RIGHTS BASIS IN THE RATIO OF 1 EQUITY SHARE FOR EVERY 5 FULLY PAID EQUITY SHARES HELD BY THE EXISTING SHAREHOLDERS ON THE RECORD DATE, I.E. ON [●]. THE ISSUE PRICE OF EACH EQUITY SHARE IS 15 TIMES TO THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, PLEASE REFER THE SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE NO. 166 OF THIS LETTER OF OFFER

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities being offered in the issue have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk Factors' beginning on page no. 14 of this Letter of Offer.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited (BSE). Our Company has received in-principle approval from BSE for listing the securities arising from this Issue by its letter dated [●].

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
Arihant Capital Markets Limited Merchant Banking Division SEBI Registration No.: INM 000011070 #1011, Solitaire Corporate Park, Guru Hargovindji Road, Chakala, Andheri (E), Mumbai – 400 093 Tel : 022-42254800; Fax : 022-42254880 Email: mbd@arihantcapital.com Website: www.arihantcapital.com **Contact Persons: Mr. Amol Kshirsagar / Mr. Satish Kumar P**	**Link Intime India Private Limited** SEBI Registration Number: INR000004058 C 101, 1st floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 Tel : + 91-22-4918 6200; Fax : +91-22-49186060 Email : makerslab.rights@linkintime.co.in Website : www.linkintime.co.in Contact Person : Mr. Sumit Deshpande

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION	ISSUE CLOSES ON
[●]	**[●]**	**[●]**

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GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Letter of Offer, the terms "we", "us", "our", "our Company", "the Company" or "Makers", unless the context otherwise implies, refer to Makers Laboratories Limited. All references to "Rs." or "INR" refer to Rupees, the lawful currency of India; "USD" or "US$" refer to the United States Dollar, the lawful currency of the United States of America, references to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable, and the words "Lakh" or "Lac" means "100 thousand" and the word "million" or "mn" means "10 lakh" and the word "crore" means "10 million" or "100 lakhs" and the word "billion" means "1,000 million" or "100 crores". Any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

Conventional / General Terms

Term	Description
Act or Companies Act	The Companies Act, 2013 and the rules made there under, as amended from time to time
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996 and subsequent amendments thereto.
Depository Participant / DP	A depository participant as defined under the Depositories Act, 1996 and registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time.
DP ID	Depository Participant's identity.
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws.
FPI	Foreign Portfolio Investments
GoI	Government of India.
Indian GAAP	Generally Accepted Accounting Principles in India.
I.T. Act	The Income Tax Act, 1961 and subsequent amendments thereto.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, limited liability partnership, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Non Residents	A person resident outside India, as defined under FEMA.
NRE Account	Non-Resident External Account as defined under Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
NRO Account	Non-Resident Ordinary Account as defined under Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
SEBI Act, 1992	Securities and Exchange Board of India Act, 1992 and amendments thereto.
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI LODR Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/ CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number

Term	Description
	SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI Circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI Circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/552 dated April 22, 2021 and SEBI Circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 1, 2021.
Takeover Code/ SEBI SAST Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended to date.

Company / Issue Related Terms

Term	Description
Allotment	Unless the context otherwise requires, the issue and the allotment of Equity Shares, pursuant to the Issue.
Allottee	The applicants to whom the Equity Shares are being/have been allotted.
Articles/Articles of Association/ AOA	Articles of Association of our Company.
Auditors	Refers to M/s Natvarlal Vepari & Co., Chartered Accountants, the statutory auditors of our company, unless otherwise specified.
Bankers to the Issue	Yes Bank Limited
Board or Board of Directors	Board of Directors of our company which term shall include a committee of the Board of Directors
Capital or Share Capital	Share Capital of our Company comprising of subscribed and paid-up Equity Share Capital.
Designated Stock Exchange	BSE Limited
Draft Letter of Offer	The Draft Letter of Offer filed with BSE
Equity Share(s) or Share(s)	Equity Share of our Company having a face value of Rs. 10/- each listed on BSE unless otherwise specified in the context thereof.
Equity Shareholders	Unless otherwise stated, means a holder of Equity Shares of our Company as on the Record Date.
Fiscal/FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
Investor(s)	The holder(s) of Equity Shares of our Company as on the Record Date, i.e. [●] and Renouncees.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	Rs. 150/- per Equity Share including premium of Rs. 140/- per Equity Share
Lead Manager or Lead Manager to the Issue	Lead Manager to this Issue, in this case being Arihant Capital Markets Limited.
Memorandum / Memorandum of Association/ MoA	Memorandum of Association of our Company.
Promoters	Mr. Premchand Godha and Mr. Madhukar R Chandurkar
Promoter Group	Mr. Prashant Godha; Mr. Nirmal Jain; Ms. Usha Godha; Ms. Usha Chandurkar; Ms. Bhawna Godha; Mr. Sameer Chandurkar; M/s Kaygee Investments Private Limited; M/s Paschim Chemicals Private Limited; M/s Kaygee Laboratories Private Limited; M/s Mexin Medicaments Private Limited and M/s Chandurkar Investments Private Limited.

Term	Description
Record Date	[●]
Registrar to the Issue or Registrar and Transfer Agent to the Company / R&T	**Link Intime India Private Limited**
Registered and Corporate Office	Plot No. 54D, Kandivli Industrial Estate, Kandivli (West) Mumbai – 400 067.
Renouncees	Shall mean the persons who have acquired Right Entitlements from the existing Equity Shareholders of our Company.
Right Entitlement	The number of Equity Shares that a shareholder is entitled to in proportion to his/her shareholding in our Company i.e. 1 Equity Share for every 5 Equity Shares held as on the Record Date.
Rights Issue	The issue of equity shares being offered on rights basis as per terms of this Letter of Offer.
The Offer or The Issue	Issue of 9,83,396 Equity Shares of Rs. 10/- each for cash at a premium of Rs. 140/- per Equity Share to the existing shareholders on rights basis in the Ratio of 1 Equity Share for every 5 fully paid Equity Shares held by the existing shareholders on the Record Date, i.e. on [●]

Industry Related Terms

Term	Description
ANDAs	Abbreviated New Drug Applications
API	Active Pharmaceutical Ingredients
BMS	Building Management System
CDSCO	Central Drugs Standard Control Organisation
CFR	Code of Federal Regulations
cGMP	Current Good Manufacturing Practices
DCGI	Drug Controller General of India
DMF	Drug Master File
ETP	Effluent Treatment Plant
EMS	Environmental Monitoring System
FDA	Food and Drug Administration
HVAC	Heating, ventilation and air conditioning
IPI	Indian Pharmaceutical Industry
R&D	Research and Development
ROW	Rest of the World
WHO	Word Health Organisation

Abbreviation

Term	Description
AGM	Annual General Meeting.
AS	Accounting Standards, as issued by the Institute of Chartered Accountants of India.
ASBA	Application Supported by Blocked Amount process provided by SEBI as one of the modes for applying in a Public Issue / Rights Issue.
BSE	BSE Limited
BV	Book Value.
CAF	Composite Application Form.
CDSL	Central Depository Services (India) Limited.
DP	Depository Participant.

Term	Description
EGM	Extra-ordinary General Meeting.
EPS	Earnings Per Share.
FEMA	Foreign Exchange Management Act, 1999 and subsequent amendments thereto.
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws.
FY	Financial Year
GoI	Government of India
GSTIN	Goods and Services Tax Identification Number
JV	Joint Venture
MoU / MOU	Memorandum of Understanding.
NSDL	National Securities Depository Limited.
NRI(s)	Non-Resident Indian(s).
OCB(s)	Overseas Corporate Body(ies).
P.A.	Per Annum
PAN	Permanent Account Number.
SCSB	Self-Certified Syndicate Banks.
SEBI	Securities & Exchange Board of India.

NOTICE TO OVERSEAS INVESTORS

The distribution of the Letter of Offer, Abridged Letter of Offer and the Issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or CAFs may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of the Rights Equity Shares on a rights basis to the Equity Shareholders as on Record Date and will dispatch the Letter of Offer/Abridged Letter of Offer and CAFs to such Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Letter of Offer/Abridged Letter of Offer and CAFs, shall not be sent the Letter of Offer/Abridged Letter of Offer and CAFs.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with BSE for observations. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer/Abridged Letter of Offer and CAFs or any offering materials or advertisements in connection with the Issue may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer and CAFs will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under such circumstances, Letter of Offer, Abridged Letter of Offer and CAFs must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of Letter of Offer, Abridged Letter of Offer and CAFs should not, in connection with the issue of the Rights Equity Shares or Rights Entitlements, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Letter of Offer, Abridged Letter of Offer and CAFs is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, Abridged Letter of Offer and CAFs. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorised to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer

The contents of this Letter of Offer, Abridged Letter of Offer, CAFs should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations

The rights and the securities of our Company have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the "United States" or "U.S."), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in this Letter of Offer are being offered in India, but not in the United States. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, this Letter of Offer or Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making the issue of Equity Shares on a rights basis to Eligible Equity Shareholders of our Company on the Record Date and the Letter of Offer and CAF will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires rights and the Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it does not have a registered address (and is not otherwise located) in the United States, and (iii) it is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such CAF.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Financial data

Unless stated otherwise, the financial data in this Letter of Offer is derived from the audited consolidated Financial Statement of our Company for the period ended March 31, 2021 which have been prepared in accordance with Indian Accounting Standard (Ind AS) and Limited Review unaudited financials for the period ended September 30, 2021 and are included in this Letter of Offer. The financial year of our Company commences on April 1 and ends on March 31.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections titled "Risk Factors" on page 14 of this Letter of Offer have been calculated on the basis of the Financial Statements of our Company prepared in accordance with Ind AS and the Companies Act, 2013.

Certain Conventions

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to Makers Laboratories Limited, "MLL", "the/our "Company", "we", "our", "us" or similar terms are to Makers Laboratories Limited or, as the context requires, and references to "you" are to the equity shareholders and/ or prospective investors in the Equity Shares

Currency and Units of Presentation

All references to "Rupees" or "Rs." or "Re." are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or United States Dollars are to the official currency of the United States of America. Except where specified in this Letter of Offer, all figures have been expressed in Rupees lakhs.

FORWARD-LOOKING STATEMENTS

This Letter of Offer contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "contemplate", "expect", "estimate", "future", "goal", "intend", "may", "objective", "plan", "project", "will", "will continue", "will pursue", "will likely result", "will seek to", "seek" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant statement.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate or changes in price control regime in products that we manufacture/market for our clients;
- Increased competition in the sectors/areas in which we operate;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement the project and business plans for which funds are being raised through this Issue;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in technology;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices.
- The performance of the financial markets in India and globally; and any adverse outcome in the legal proceedings in which we are involved.

For further discussion of factors that could cause our actual results to differ from our expectations, please see ***"Risk Factors"***, and ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"*** beginning on pages 14 and 156 respectively.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. In accordance with SEBI requirements, we will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including the sections, "Objects of the Issue", "Outstanding Litigations and Material Developments" and "Risk Factors" on pages 30, 159 and 14, respectively.

Summary of Primary Business

Our Company's major thrust is marketing of Branded Generic Pharmaceutical Formulations in Indian market. These formulations are mainly used by the dispensing doctors, nursing homes and hospitals. Our Company is one of the companies in India to start generic business in organized manner at a time when generic market was at its nascent stage.

Objects of the Issue

Our Company intends to utilise the Proceeds from the Issue towards funding of the following objects:

(*Rs. in lakhs*)

Serial	Particulars	Estimated Amount
(A)	Gross proceeds of the Rights Issue *	**1,475.09**
	Less : Expenses of the Issue	40.00
	Net proceeds of the Rights Issue	**1,435.09**
(B)	Utilisation of the net proceeds of the Rights Issue	
	a) Funding capital expenditure requirement for the upgradation of our existing manufacturing unit situated at Naroda, Ahmedabad	**1,122.00**
	b) General Corporate purposes	**313.09**
	Sub-total	**1,435.09**

* *Assuming full subscription and allotment*

Subscription to the Issue by our Promoters and Promoter Group

Our Promoters and Promoter Group have undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or member(s) of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue

As a result of this subscription and consequent allotment, the Promoters/ promoter group may acquire shares over and above their entitlement in the Issue, which may result in an increase of their shareholding above the current shareholding with the entitlement of Equity Shares under the Issue. This subscription and acquisition of additional Equity Shares by the Promoters / promoter group, if any, shall be made in compliance with the applicable provisions of the SEBI SAST Regulations. Allotment to the Promoters / promoter group of any unsubscribed portion, over and above their entitlement shall be done in compliance with SEBI LODR Regulations and other applicable laws prevailing at that time relating to continuous listing requirements

The acquisition of Additional Rights Equity Shares by the Promoters and Promoter Group, over and above their Rights Entitlements, if any, shall not result in change in control of the management of the Company and shall be in accordance with the provisions of the SEBI SAST Regulations 2011. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue

Summary of Outstanding Litigation and Defaults

A summary of outstanding litigation proceedings pertaining to our Company and our subsidiary as on the date of this Letter of Offer is provided below.

(A)	Pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of the issuer	Nil
(B)	Matters which are pending	
	(1) Issues or moral turpitude or criminal liability on the part of the issuer	Nil
	(2) Material violations of the statutory regulations by the issuer	Nil
	(3) Economic offenses where proceedings have been initiated against the issuer	Nil

For further details, see "Outstanding Litigation and Material Developments" beginning on page 159 of this Letter of Offer.

Risk Factors

For details, see "Risk Factors" beginning on page 14 of this Letter of Offer.

Contingent Liabilities

For details regarding our contingent liabilities, see "Financial Statements" beginning on page 49.

Related Party Transactions

For details regarding our related party transactions, see "Financial Statements" beginning on page 49.

Issuance of Equity Shares for consideration other than cash in the last one year

No Equity Shares have been issued by our Company for consideration other than cash during the last one year.

RISK FACTORS

An investment in Equity Shares involve a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks actually occur, our business, results of operations and our financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other implications of material impact of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are a few risk factors where the impact is not quantifiable and hence the same has not been disclosed in such risk factors.

INTERNAL RISK FACTORS

1. **Our Company's business is dependent on few customers. Any loss of such customers or a significant reduction in purchases by such customers could adversely affect our business, results of operations and financial conditions**

   Our Company is dependent on few customers. Our top 10 customers accounted for 77.67% and 92.37% of our gross sales / total income for the Fiscal 2021 and the six-month period ended September 2021, respectively. Out of this, our promoter group entity, Ipca Laboratories Limited alone accounted for 21.22% and 31.70%, respectively, for the corresponding period. Any loss of one or more of these customers can adversely affect our Company's business, result of operations and financial condition. There can be no assurance that we will continue to enjoy the patronage of our top customers in future.

2. **We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materialises**

   As of March 31, 2021, contingent liabilities disclosed in the notes to our consolidated audited financial statements aggregated Rs. 390.95 lakhs. Set forth below are our contingent liabilities that had not been provided for as of March 31, 2021 :

Nature of the Contingent Liability / commitment	(Rs. in lakhs)
Guarantees given by the bank on behalf of the Group to Government authorities and others	21.20
Other moneys for which the Company is contingently liable for tax and other matters not accepted by the Group	150.80
Claims against the Company not acknowledged as debts	33.63
Demand raised by MPCB disputed by the Group	173.77
Total	**379.40**

   In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected

   The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019 has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are universally, necessarily and ordinarily paid to all the employees in the establishment across the board. There are numerous interpretative issues relating to the judgement. As such, the Group has, based on legal advice and as a matter of caution, made provision for an estimated amount on a prospective basis without considering any probable obligations for past periods. The Group will continue to monitor and evaluate its position and act, as clarity emerges.

3. Our funds requirements are based on internal management estimates and have not been independently appraised by any bank or financial institution. Any increase in the actual deployment of funds may cause an additional burden on our finance plans.

We intend to utilize part of the Net Proceeds of the Right Issue, i.e. Rs. 1,122 lakhs towards capital expenditures for our existing manufacturing facility situated at Plot No. 29/3, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad. This constitutes 76% of our total objects funded through the proceeds of the Rights Issue.

Our fund requirements for the objects of the Rights Issue and deployment thereof are based on internal management estimates of our current business plans and have not been independently appraised by any bank or financial institution or any independent organization. These are based on current conditions, estimated requirements, prevailing market prices, etc. and are subject to revisions in light of changes in external circumstances or costs or other financial conditions, business or strategy, as discussed further below. With increase in costs, our actual deployment of funds may exceed our estimates and may result in cost overrun and cause us an additional burden on our finance plans.

Further, we have estimated the requirement of equipment's as per existing process/technology/ product specifications and existing market requirements and based on our cost estimates on the quotations of manufacturers / suppliers of equipment, prevailing market prices and/ or our internal estimates and we have not entered into definitive agreements/ understandings in respect f certain items of expenditure as on the date of filing this Letter of Offer. Thus, there can be delay in the implementation schedule of the objects for which the funds are being raised in this Right Issue. Any delay or failure to enter into arrangements on favorable terms and conditions, in a timely manner or at all, may have an adverse effect on our business and financial results.

4. We have not yet placed orders for all the plant and machinery and equipment requirements for our proposed project; as specified in the Objects of the Issue. Any delay in procurement or delivery of plant & machinery, equipment, etc. may delay the implementation schedule which may also lead to increased shut down period, increase in prices of these equipment, further affecting our costs, revenue and profitability.

Of the total Rs. 1,122 lakhs being proposed for upgradation project, we have placed orders for machines / equipment for worth Rs. 792 lakhs. Though we have procured quotations for some of the balance equipment, orders / work order for the same is yet to be placed. Any delay in procurement of plant and machinery, equipment, etc. and completion of civil and HVAC work may delay the implementation schedule. We may also be subject to risks on account of inflation in the price of plant and machinery and other equipment that we require. Hence our project could face time and cost over-run which could have an adverse effect on the operations of our Company.

Our inability to complete the identified programs in accordance with our stated schedules of implementation may lead to prolonged shutdown of the manufacturing facility and cost overruns and impact our future profitability. Pending utilization of the Net Proceeds for the purposes described above, we intend to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934. For further details, see section "Objects of the Issue" on page 30 of this Letter of Offer.

5. **Our Company may not be able to raise the entire Rs. 1,475.09 lakhs as proposed through the present Rights Issue due to non-subscription by shareholders of their rights entitlement either in part or full**

   Our Company's proposed objects of the Issue are to be funded from the proceeds of this Issue. Any failure or any delay on our Company's part to mobilize the required resources through this Issue or any shortfall in the Issue proceeds may delay the implementation schedule. Our Company therefore, cannot assure that it would be able to execute the proposed plans within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our cash flow position, our business, results of operations and financial condition. For further details, see section titled "Objects of the Issue" on page 30.

6. **We are dependent on our Whole Time Directors and the Leadership Team to manage our current operations and meet future business challenges**

   Our success is substantially dependent on the expertise and services of our Whole-time working Directors, our Key Managerial Personnel and our other Senior Management team. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel and Senior Management in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations

7. **We have entered into related party transactions in the past and may continue to do so in future.**

   For the Fiscal 2021, our Company has entered into certain related party transactions with the Promoter Group. The total amount of related party transactions as on March 31, 2021 is around Rs. 3,229.79 lakhs. While our Company believes that all such transactions have been conducted on an arm's length basis and in the ordinary course of business and that the provision of Section 188(1) of the Companies Act, 2013 are not attracted, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. For further details, please refer to the section titled 'Financial Statements' beginning on page 49.

8. **We, being a pharmaceutical company, operate in a highly regulated and controlled industry. Our business is dependent on various approvals from relevant regulatory and health authorities. Any delay or failure to obtain or renew such required regulatory approvals or any change in the regulatory environment in relation to manufacturing or for marketing our products may significantly impact our business and strategy**

   We being a pharmaceutical company operate in an industry which is highly regulated and controlled. There are stringent and restrictive norms in relation to quality standards. Further, entry barriers in markets in which we seek to expand, have extensive regulations pertaining to research, testing, manufacturing, selling, marketing and pricing of pharmaceutical products.

   Some of our existing product registrations need to be renewed after their expiry. Further, from time to time we will have to apply for the renewal of approvals and ensure that the products comply with all current standards, which may have become more stringent since the prior registration. There is no assurance that we will be able to obtain the necessary approvals / renewals for all our products, which could adversely impact our ability to sell some of our products in certain markets.

Extensive industry regulation has had, and will continue to have, a significant impact on our business. Since these are often evolving standards, we must continue to expend substantial time, money and effort in all areas of our business to maintain compliance. The evolving and complex nature of regulatory requirements, the broad authority and discretion of the regulatory authorities and the generally high level of regulatory oversight results in the continuing possibility that our development of new products and manufacturing of products may be constricted in whole or in part, which in turn could have a material adverse effect on our business, results of operations and prospects.

9. **Our operations are subject to various environmental, health and safety laws and regulations. Our failure to comply with environmental laws and similar regulations in India, including improper handling of raw materials, may result in significant damages and may have an adverse effect on our business.**

Our operations are subject to laws and regulations governing relationships with employees in such areas like minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees, contract labour and work permits. Further, our business and prospects are contingent upon, among other things, receipt of all required health and safety permits and our ability to comply with any conditions specified in such permits and registrations, on a continuous basis. Changes or compliances required by regulatory authorities may involve significant compliance costs and also result in delays or result in the loss of an existing license, which may adversely affect our business and results of operations.

Further, we and our subsidiary company are subject to various environmental laws and regulations relating to environmental protection at our manufacturing units. For example, any accidental discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage may give rise to liabilities towards the government, especially the state pollution control boards and third parties, and may result in expenses to remedy any such discharge or emissions.

Stricter laws and regulations, or stricter interpretation of existing laws and regulations may impose new liabilities or require additional investment in environmental protection equipment, either of which could adversely affect our business, financial condition or results of operation. Our failure to obtain required licenses or renew expired licenses or to otherwise comply with various regulatory requirements may have a material adverse effect on our financial conditions and results of operations.

10. **If we are not able to obtain, renew or maintain our statutory and regulatory licenses, registrations and approvals required to operate our business or comply with the conditions specified therein or otherwise specified by various regulatory authorities, it may have a material adverse effect on our business, results of operations and financial condition**

We require certain statutory and regulatory licenses, registrations and approvals to operate our business some of which are granted for a fixed period of time and need to be renewed from time to time. Further, in the future, we may also be required to obtain new licenses, registrations and approvals for any proposed operations, including any expansion of existing operations. There can be no assurance that the relevant authorities will renew such licenses, registrations and approvals in a timely manner or at all. Further, these licenses, registrations, approvals and general permissions granted under applicable laws are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues and operations. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our Company's operations and may have a material adverse effect on our business.

11. **If our products cause, or are perceived to cause, severe side effects, our revenues and profitability could be adversely affected**

Our pharmaceutical products may cause severe side effects as a result of a number of factors, many of which are outside of our control. These factors include potential side effects not revealed in clinical testing, unusual but severe side effects in isolated cases, defective products not detected by our quality management system or misuse of our products by end-users. Our products may also be perceived to cause severe side effects when a conclusive determination as to the cause of the severe side effects is not obtained or is unobtainable. In addition, our products may be perceived to cause severe side effects if other pharmaceutical companies' products containing the same or similar active pharmaceutical ingredients, raw materials or delivery technologies as our products cause or are perceived to have caused severe side effects. If our products cause, or are perceived to cause, severe side effects, we may face a number of consequences, including: a severe decrease in the demand for, the relevant products; the recall or withdrawal of the relevant products; removal of regulatory approvals for the relevant products or the relevant production facilities; damage to the brand name of our products and the reputation of our Company; and exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or penalties. Nevertheless, any product recall or the occurrence of any of the foregoing consequences could have a material and adverse effect on our results of operations and financial performance.

12. The improper handling of any hazardous materials used in our or subsidiary company's operations could result in accidents and subject us to significant liabilities, which may have an adverse effect on our business, reputation, results of operations and financial condition

We / our subsidiary company handle and use hazardous materials, chemicals, and other toxic and combustible materials in our manufacturing activities. The improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. Further, the increase in our operations and the consequent increase in our employee base, increases the risk of safety hazards. We try to prevent such hazards by training our personnel, conducting industrial hygiene assessments and employing other safety measures. Although we have not experienced any such accidents in the past at our facilities, we cannot assure you that we will not experience accidents in the future.

Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of raw materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation or, which could lower our profits in the event we were found liable, and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing facilities, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers. The occurrence of any such event could have an adverse effect on our business, results of operations and financial condition

13. Our inability to accurately forecast demand for our products, may have an adverse effect on our business, results of operations and financial condition

We project demand for our products based on rolling projections, our understanding of anticipated customer spending and distribution inventory levels. If we overestimate demand, we may purchase more raw materials and manufacture more products than required. If we underestimate demand, we may manufacture fewer quantities of products than required, which could result in the loss of business. If we under stock one or more of our products, we may not be able to obtain additional units in a timely manner, which could also adversely affect our goodwill and results of operations. In addition, if our products do not achieve widespread consumer acceptance, physician prescribing patterns do not change to include our products, or our customers change their procurement preferences, we may be required to take significant inventory markdowns, or may not be able to sell the products at all, which would affect our business, results of operations and financial condition.

14. The shutdown of operations at our manufacturing units could have a material adverse effect on our results of operations and financial condition.

Our manufacturing units are subject to operating risks, such as labour disputes, natural disasters and accidents, etc. The occurrence of any of these risks could affect our operations by causing production at one or more facilities to shut down. In addition, we may be forced to shut down the manufacturing unit due to unprofitable margins, irregular competition, unforeseen revival of healthy competition and other adverse economic conditions. No assurance can be given that one or more of the factors mentioned above will not occur, and this could have a material adverse effect on our results of operations and financial condition. The implementation of the proposed capital expenditure programme is expected to result in shutdown of manufacturing operations for a period of around 2 months. While the Company has planned its manufacturing operations in a manner that the impact on production is minimal level, there can be no assurance that such shutdown will not affect our business operations, results of operations and financial condition.

15. If we fail to keep pace with advancements in technology in the pharmaceutical industry, create new intellectual property, or respond to changes in market demand, our business and financial results could be adversely affected

The pharmaceutical industry is characterized by frequent advancements in technology fuelled by high expenses incurred on research and development. In addition, rapid and frequent advancements in technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and/or write-downs of assets. Our competitors may have filed patent applications, or hold patents, relating to products or processes which compete with those we are manufacturing, or their patents may impair our ability to do business. In the future, we may not be able to obtain valuable intellectual property rights as we may not have the resources to continually improve our technology by investing in research and development. Our failure to anticipate or to respond adequately to advancements in technology, changes in market demand could adversely affect our business and financial results.

16. **We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures may adversely affect our business, financial condition and results of operations**

We operate in a competitive business environment. Growing competition may subject us to pricing pressures and require us to reduce the prices of our products and services in order to retain or attract customers, which may have a material adverse effect on our revenues and margins. In the event our competitors develop better process technology or improved process yield or are able to source raw materials at competitive prices, and are therefore able to create new products or substitutes for our products at competitive prices, we may not be able to maintain our growth rate and revenues and our profitability may decline. Some of our competitors may be increasing their capacities and targeting the same products as us. Some of our competitors, especially multinational pharmaceutical companies as well as large Indian pharmaceutical companies, have greater experience in various facets of the business as compared to us and may be able to develop or acquire technology or partner with innovators or customers at terms which are not presently feasible for us due to our current scale of operations. There can be no assurance that we can continue to effectively compete with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations

17. **Our Promoters or members of our Promoter Group may pledge or dispose of the Equity Shares held by them which may adversely impact the trading price of our Equity Shares**

    There is no restriction on our Promoters and members of the Promoter Group to dispose, transfer or pledge their Equity Shares, and our Promoters and / or members forming part of the Promoter Group may at any time pledge or dispose of the Equity Shares held by them including immediately after listing of Rights Equity Shares pursuant to this Rights Issue to the extent applicable. In the event of creation of such a pledge, the pledgee may exercise the right of acquiring, selling or otherwise disposing of such Equity Shares if the pledger fails to abide by the terms and conditions of the pledge so created. Any transfer / sale of Equity Shares by our Promoter and / or members forming part of the Promoter Group will lead to a dilution of the Promoter holding in our Company which may adversely impact the trading price of our Equity Shares.

18. **Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.**

    Our revenues are dependent on various factors such as future earnings, financial condition, cash flows, working capital requirements and capital expenditures. The combination of these factors may result in significant variations in our revenues and profits and thereby may impact our ability to pay dividends.

19. **Some of the premises from which we operate or are used by our Company for the purposes of our operations are situated at leasehold premises. Any termination of the relevant lease or leave and license agreements in connection with such properties or our failure to renew the same could adversely affect our operations**

    Our Company has taken on lease basis factory premises and warehouse-cum-office, all situated at GIDC Industrial Estate, Naroda, Ahmedabad. The lease period for the factory premises for Plot No. 30/4 and Plot No. 29/3 is for 99 years w.e.f. October 10, 1980 and January 30, 1984, respectively and for the warehouse-cum-office is taken on lease for a period of 10 years. While we have a formal arrangement for the occupancy of the office and the factory as mentioned above, in the event, we are unable to renew the lease agreement for the office and factory on favourable terms, we may not be able to continue to use these premises, which may lead to disruption in the business and administrative operations of our Company having an adverse effect on the business, financial condition and results of operations of our Company

20. **Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to, and this may have a material adverse effect on our business and financial condition.**

    We maintain insurance for a variety of risks, including risks relating to fire, special perils, burglary, etc., and other similar risks. However, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. Any liability in excess of our insurance limits could result in additional costs, which would reduce our profits. Further, we may be subject to claims arising from alleged, suspected or actual defects in the products that we manufacture, which may require us to conduct product recalls, due to alleged, suspected or actual defects in end product manufactured by them for their own customers. In the event that any significant product liability, performance improvement or replacement claims are brought against us, which are not covered by insurance or result in recoveries in excess of our insurance coverage, it may adversely affect our business, financial condition, results of operations and prospects.

RISKS RELATING TO RIGHTS ISSUE

21. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of Investor's shareholding

The Rights Entitlements that are not exercised prior to the end of the Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted pursuant to increase in paid up share capital. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Rights Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the Demat Account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Rights Issue with respect to such Rights Entitlements.

22. The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, a separate web based application platform, i.e., the R-WAP facility has been instituted for making an Application in this Issue by resident Investors.

Further, R-WAP is only an additional option and not a replacement of the ASBA process.

On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see para "Procedure for Application through the web-based platform R-WAP" on page 183. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic.

We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the RWAP facility.

23. There is no guarantee that the Rights Equity Shares issued pursuant to this Rights Issue will be listed on the Stock Exchange in a timely manner

In accordance with Indian law and regulations and the requirements of the Stock Exchange, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Rights Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Rights Equity Shares to be submitted. Accordingly, there could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted.

EXTERNAL RISK FACTORS

24. We may, at any time in the future, make further issuances or sales of our Equity Shares, and this may significantly dilute your future shareholding and affect the trading price of our Equity Shares.

Any future equity issuances by us, may lead to the dilution of Investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such issuance or sales of shares may occur, may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

25. Changing laws, rules and regulations, Government policies and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations and prospects

The regulatory and policy environment in which we operate is evolving and subject to change. While some changes such as streamlining of regulatory mechanism and reduction in the rates of direct taxes has benefitted the Company, certain other changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

26. Terrorist attacks, civil disturbances, wars, regional and communal conflicts, natural disasters, fuel shortages, epidemics and labour strikes in India and elsewhere in Asia may have a material adverse effect on our Company's business and on the market for securities in India.

Increased political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, strained relations arising from these conflicts and the related decline in customer confidence may hinder our ability to do business. Further, our operations are dependent on our ability to protect our facilities and infrastructure from fire, explosions, floods, typhoons, earthquakes, power failures and other similar events. India has experienced natural disasters such as earthquakes, a tsunami, floods and droughts in the past few years.

INTRODUCTION

Issue details in brief

The Issue has been authorized by way of a resolution passed by our Board on November 10, 2021 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section "Terms of the Issue" on page 166.

Equity Shares offered under the Rights Issue	9,83,396 Equity Shares of Rs. 10/- each
Rights Issue size	Rs. 1,475.09 lakhs
Rights Entitlement	1 Equity Share for every 5 Equity Shares held as on the record date
Record Date	[●]
Face Value per Equity Share	Rs. 10/-
Issue price per Equity Share	Rs. 150/-
Equity Shares subscribed, paid-up and outstanding prior to the Issue	49,16,980 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlements)	59,00,376 Equity Shares
ISIN for Rights Entitlements	INE987A01010
Terms of the Issue	Please refer section "Terms of the Issue" beginning on page 166 of this Letter of Offer
Terms of Payment	Rs. 150/- per Equity Share at the time of application
Utilisation of Issue proceeds	For details, please refer to the section titled "Objects of the Issue" beginning on page no. 30 of this Letter of Offer.

GENERAL INFORMATION

Pursuant to the resolutions passed by the Board of Directors of our Company at its meeting held on November 10, 2021, it has been decided to make the following offer to the Equity Shareholders of our Company, with a right to renounce:

ISSUE OF 9,83,396 EQUITY SHARES OF RS. 10/- EACH ("EQUITY SHARES") FOR CASH AT A PREMIUM OF RS. 140/- PER EQUITY SHARE AGGREGATING TO RS. 1,475.09 LAKHS TO THE EXISTING SHAREHOLDERS OF OUR COMPANY ON RIGHTS BASIS IN THE RATIO OF 1 EQUITY SHARE FOR EVERY 5 EQUITY SHARES HELD BY THE EXISTING SHAREHOLDER(S) ON THE RECORD DATE, I.E. ON [●]

Our Company

Name of our company	Makers Laboratories Limited
Registered Office & Corporate Office	Plot No. 54D, Kandivli Industrial Estate, Kandivli (West) Mumbai – 400 067.
Registration Number (Corporate Identity No.)	CIN : L24230MH1984PLC033389
Address of Registrar of Companies	Registrar Of Companies, 100, Everest, Marine Drive, Mumbai- 400002,Maharastra.
Plant Locations	1. Plot No. 29/3, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad 382 330, Gujarat. 2. Plot No. 30/4, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad 382 330, Gujarat.

Board of Directors of our Company

Sr. No.	Name	Designation
1	Mr. R.K.P Verma	Chairman, Independent Director
2	Mr. Vishal Jain	Independent Director
3	Ms. Dipti Shah	Independent Director
4	Mr. Prashant Godha	Non-Executive Non-independent Director
5	Mr. Saahil Parikh	Wholetime Director
6	Mr. Nilesh Jain	Wholetime Director

Company Secretary & Compliance Officer

The incumbent Company Secretary has recently resigned and been relieved. A new Company Secretary is being appointed shortly. The details will be updated upon appointment of the Company Secretary.

Lead Manager to the Issue

Name:	Arihant Capital Markets Limited
SEBI Registration No.	INM 000011070
CIN	L67120MP1992PLC007182
Address	1011, Building No.10, Solitaire Corporate Park Guru Hargovindji Road, Chakala, Andheri (East), Mumbai – 400 093.
Telephone No.	+91- 22- 4225 4800
Fax No,	+91- 22- 4225 4880
E-mail	mbd@arihantcapital.com
Website	www.arihantcapital.com
Contact Persons	Mr. Amol Kshirsagar / Mr. Satish Kumar P.

Registrars to the Issue / Registrar & Transfer Agent of our Company

Name	Link Intime India Private Limited		
SEBI Registration No.	INR000004058		
Address	C-101, 247 Park, LBS Marg, Vikhroli (West) Mumbai – 400 083.		
Telephone No	022-49186200		
E mail:	makerslab.rights@linkintime.co.in	Website	www.linkintime.co.in
Contact Person	Mr. Sumit Deshpande		

Statutory Auditors of our company

Name	Natvarlal Vepari & Co.
Address	903-904, 9th Floor, Raheja Chambers, 213, Nariman Point, Mumbai – 400 021.
Telephone No	022-67527100
E-mail	njayendran@nvc.in

Principal Bankers to our company

Name	Yes Bank Ltd.
Address	Yes Bank House, Off Western Express Highway, Santacruz (E), Mumbai – 400 055
Telephone No.	022-33479163
E-mail	akansha.agarwal@yesbank.in

Bankers to the Issue

Name	[●]
Address	[●]
SEBI Registration No.	[●]
Telephone No.	[●]
E-mail:	[●]
Contact Person	[●]

Chief Financial Officer

Name of the Chief Financial Officer	Mr. Sandeep Kadam
Address	Plot No. 54D, Kandivli Industrial Estate, Kandivli (West) Mumbai – 400 067.
Telephone No.	022-28688544
E-mail	investors@makerslabs.com

Note: Investors are advised to contact the Registrars to the Issue/Compliance Officer in case of any pre-issue / post-issue related problems such as non-receipt of Letter of Offer / Letter of Allotment / Share Certificate(s) / Refund Orders / Demat Credit.

Self Certified Syndicate Banks:

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes

Credit Rating Details & IPO grading

This being an issue of Equity Shares on a rights basis, no credit rating & IPO grading is required.

Debenture Trustee

This being a Rights Issue of Equity Shares, appointment of Debenture trustee is not required.

Monitoring Agency

As the issue size is below Rs. 100 crores, no monitoring agency has been appointed.

Appraising Entity

The objects of the present issue have not been appraised by any appraising agency.

Declaration by Board on creation of separate account

The Board of Directors declares that funds received against this Issue will be transferred to a separate bank account other than the bank account referred to sub-section (3) of Section 40 of the Companies Act, 2013.

Inter-se Allocation of Responsibilities

As there is only one Lead Manager, inter-se allocation of responsibilities is not applicable. However, the list of major responsibilities of Arihant Capital Markets Limited, inter alia, is as follows:

No	Activities
1	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments.
2	Drafting, design and distribution of this Abridged Letter of Offer, Letter of Offer, Application Form, etc. The Lead Managers shall ensure compliance with the SEBI ICDR Regulations, SEBI Listing Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges
3	Selection of various agencies connected with the issue, namely Registrars to the Issue, Printers, and Advertisement agencies.
4	Assist drafting and approval of all publicity material including statutory advertisement, corporate advertisement, brochure, corporate films, etc.
5	Follow-up with bankers to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures.
6	Submission of 1% security deposit, co-ordination with stock exchanges and formalities for use of online software, bidding terminal, mock trading etc.
7	The post-issue activities will involve essential follow-up steps, which include finalisation of basis of allotment / weeding out of multiple applications, listing of instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as registrars to the issue, bankers to the issue, and bank handling refund business. Even if many of these post-issue activities would be handled by other intermediaries, the Lead Manager shall be responsible for ensuring that these agencies fulfil their functions and enable him to discharge this responsibility through suitable agreements with the Issuer Company.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue of the Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than 8 days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act.

Underwriting / standby Arrangement

This issue of equity shares is not being underwritten and/or no standby support is being sought for the said issue.

Filing

SEBI vide its circular bearing number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 has granted certain relaxations with respect to rights issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the rights issue size for filing of the Draft Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has further been increased from ten crores to fifty crores. Since the size of this Issue falls below the threshold, the Draft Letter of Offer will not be filed with SEBI.

This Draft Letter of Offer is being filed with the Designated Stock Exchange i.e. BSE and the Letter of Offer would be submitted to BSE and SEBI for information and dissemination.

Issue Schedule

Issue Opening Date	[●]
Last date for on Market Renunciation	[●]
Issue Closing Date	[●]

CAPITAL STRUCTURE

		Aggregate Value (Rs. Lakhs)	
		At Nominal Value	At Issue Price
(A)	**AUTHORISED SHARE CAPITAL**		
	75,00,000 Equity Shares of Rs. 10/- each	750.00	-
(B)	**ISSUED, SUBSCRIBED & PAID-UP SHARE CAPITAL BEFORE THE PRESENT RIGHTS ISSUE**		
	49,16,980 Equity Shares of Rs. 10/- each	491.70	-
(C)	**PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER**		
	9,83,396 Equity Shares of Rs. 10/- each	98.34	1,475.09
(E)	**EQUITY CAPITAL AFTER THE ISSUE**		
	59,00,376 Equity Shares of Rs. 10/- each	590.04	
(F)	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	108.64	
	After the Issue	1,485.39	

Details of outstanding instruments:

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

Notes to Capital Structure

1. **Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such securities.**

   As on the date of this Letter of Offer, our Promoters and Promoter group hold, in aggregate, 28,69,947 Equity Shares, constituting 58.37% of the issued, subscribed and paid-up Equity Share capital of our Company. The break-up of the promoter / promoter group shareholding is as under:

Serial	Name	Shares	% to total Equity	Lock-in	Pledge / encumbrance
Promoters					
1	Premchand Godha	97,520	1.98%	-	Nil
2.	Mr. Madhukar R Chandurkar	-	-	-	-
	Sub-total	**97,520**	**1.98%**		
Promoter group					
1	Prashant Godha	94,375	1.92%	-	Nil
2	Nirmal Jain	73,600	1.50%	-	Nil
3	Usha Godha	44,000	0.89%	-	Nil
4	Usha Chandurkar	33,000	0.67%	-	Nil
5	Bhawna Godha	32,400	0.66%	-	Nil
6	Sameer Chandurkar	18,000	0.37%	-	Nil
7	Kaygee Investments Pvt Ltd	8,54,400	17.38%	-	Nil
8	Paschim Chemical Pvt Ltd	7,66,672	15.59%	-	Nil
9	Kaygee Laboratories Pvt Ltd	6,50,000	13.22%	-	Nil
10	Mexin Medicaments Pvt Ltd	1,41,180	2.87%	-	Nil
11	Chandurkar Investment Pvt Ltd	64,800	1.32%	-	Nil
	Sub-total	**27,72,427**	**56.39%**		
	TOTAL	**28,69,947**	**58.37%**		

The promoter / promoter group shareholding details are also available on the website of BSE at www.bseindia.com

2. **Intention and extent of participation by the promoters / promoter group**

   Our Promoters and Promoter Group have undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or member(s) of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue

   As a result of this subscription and consequent allotment, the Promoters/ promoter group may acquire shares over and above their entitlement in the Issue, which may result in an increase of their shareholding above the current shareholding with the entitlement of Equity Shares under the Issue. This subscription and acquisition of additional Equity Shares by the Promoters / promoter group, if any, shall be made in compliance with the applicable provisions of the SEBI SAST Regulations. Allotment to the Promoters / promoter group of any unsubscribed portion, over and above their entitlement shall be done in compliance with SEBI LODR Regulations and other applicable laws prevailing at that time relating to continuous listing requirements

   The acquisition of Additional Rights Equity Shares by the Promoters and Promoter Group, over and above their Rights Entitlements, if any, shall not result in change in control of the management of the Company and shall be in accordance with the provisions of the SEBI SAST Regulations 2011. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue

3. The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the SEBI SAST Regulations is Rs. [●] per Equity Share.

4. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company

5. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:

   - The shareholding pattern of our Company as on 30/09/2021, can be accessed on the website of the BSE at: https://www.bseindia.com/stock-share-price/makers-laboratories-ltd/makersl/506919/shareholding-pattern/

   - The statement showing holding of Equity Shares of persons belonging to the category "Promoter and Promoter Group" including the details of lock-in, pledge of and encumbrance, if any, thereon as on 30/09/2021, can be accessed on the BSE website at: https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=506919&qtrid=112.00&QtrName=December%202021

   - The statement showing holding of securities of persons belonging to the category "Public" including shareholders holding more than 1% of the total number of Equity Shares as on 30/09/2021, can be accessed on the website of the BSE, at: https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=506919&qtrid=112.00&QtrName=December%202021

OBJECTS OF THE ISSUE

Our Company intends to utilize the Proceeds from the Issue towards funding of the following objects:

1. Funding capital expenditure requirement for upgradation of our existing manufacturing units
2. Meet expenses for the Issue, and
3. General corporate purposes

The main objects clause and objects incidental or ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue.

Details of gross proceeds and its utilisation are as under:

(*Rs. in lakhs*)

Serial	Particulars	Estimated Amount
(A)	Gross proceeds of the Rights Issue *	**1,475.09**
	Less : Expenses of the Issue	**40.00**
	Net proceeds of the Rights Issue	**1,435.09**
(B)	Utilisation of the net proceeds of the Rights Issue	
	a) Funding capital expenditure requirement for upgradation of our existing manufacturing units	**1,122.00**
	b) General Corporate purposes	**313.09**
	Sub-total	**1,435.09**

* *Assuming full subscription and allotment*

Schedule of Deployment of funds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below

(Rs. in lakhs)

Serial	Particulars	Estimated amount	Amount deployed till (31/12/2021)	Estimated to be deployed during FY 2021-22	Estimated to be deployed during FY 2022-23
1	Capital expenditure towards upgradation of the existing manufacturing unit	1,122.00	250.53	450.00	421.47
2	Rights Issue expenses	40.00	5.90	15.00	19.10
3	General Corporate purposes	313.09	-	-	313.09
		1,475.09	**256.43**	**465.00**	**753.66**

Our Company has incurred an amount of Rs. 256.43 till December 31, 2021 towards advance for procurement of certain plant and machinery and Issue expenses as confirmed by our Statutory Auditors, M/s. Natvarlal Vepari & Co. vide their certificate dated January 6, 2022. Further, the funds for the abovementioned purpose has been met through internal sources in the form of advances from customers and will be subsequently adjusted from the proceeds of the Rights Issue.

We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors such as changes in our financial condition, business or strategy as well as external factors which may not be in our control and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management.

The funding requirements mentioned above and the estimated deployment schedule are based on our Company's internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, or interest rate fluctuations or costs, or our financial condition, business or strategy.

Means of Finance

The entire requirements of the Objects detailed above are intended to be funded from the proceeds of the Rights Issue. No amount is required to be raised through means other than this Issue for financing the objects of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue under Regulation 62(1)(c) of the SEBI ICDR Regulations.

Details of the Objects of the issue

1. Funding capital expenditure requirement for upgradation of our existing manufacturing unit (Rs. 1,122 lakhs)

Rationale for the Capex / upgradation

The upgradation is proposed for the injectable manufacturing facilities of Vials and Ampoules at our Factory premises at Plot No. 29/3, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad.

The current capacity of the above unit is as under (*on a working of 26 days per month*) :

Product	Capacity per month	Capacity Per annum
Vials (26 days per month)	12.50 lakhs	120.00 lakhs
Ampules (26 days per month)	46.00 lakhs	552.00 lakhs

The present capacity and the available machineries is likely to become a bottleneck in the coming years with respect to the Gujarat FDA, WHO-GMP Certification and ROW Licencing for exports. Further, the above unit is also facing the following constraints :

- Sterilization equipment already running 24 hours daily and no space to install higher capacity equipment
- Non-availability of space for treating more effluent
- Absence of drains / gutters in Industrial Area hence ETP load cannot be increased
- Absence of Depyrogenation Tunnels for sterilization
- Absence of automation and CFR compliance
- Aging water and HVAC systems
- Restricted flexibility between vials and ampoule manufacturing inter-changeability

Proposal for the upgradation

Considering the above, our Company proposes the following upgradation programme thus enabling the company to be eligible for certification from WHO-GMP and from ROW market countries :

Scope of the Project

1. Dismantle and demolish the existing manufacturing, washing / sterilization and fill / finish areas

2. Instead of the existing two 8 Stoke Ampule Fill / Finish Machines and Vial / Opthal Fill Finish machine, install a combi lines as under :

   (a) One combi Washer, filling/capping line on a two shift working having a capacity / speed of 24,000 / hour Ampules or 9,000 Vials / hour (with inter-changeable flexibility).

   (b) Installation of Depyrogenation tunnel -- Depyrogenation Tunnels are used to sterilize the the Glass vials and ampoules which are used for the manufacturing of pharmaceutical products. The glass vials and ampoules are placed in the tunnel, where they travel through various heat zones and are subjected to extreme dry heat for ridding them of the pyrogens.

   (c) Provision for installation of 9-10m^2 Lyophyllizer (*a freeze drying process*) with semi automatic tray loading which can accommodate upto 20,000 – 10ml Vials per cycle

3. The proposal would also include civil works towards renovation / restoration and providing sufficient area for the additional / new machineries. The vial/ampoule manufacturing unit is situated on a building of 2 floors. The following changes are proposed in the said manufacturing block :

   (a) Ground floor – demolish and rebuild (internal only) approx. 500 sq. mtrs for new manufacturing area, new sterilization and Fill/Finish combi line and utilities and water generation / distribution

   (b) Second floor – changes required for HVAC and Services and Water system / utilities

The capacity of the Vials/Ampules manufacturing post the upgradation would be as under (*on a working of 26 days per month*) :

Product	Capacity per month	Capacity Per annum
Vials (for 8 days p.m.)	8.00 lakhs	96.00 lakhs
Ampules (18 days p.m.)	47.00 lakhs	564.00 lakhs

Thus, on a per day basis, the manufacturing capacity for vials would increase from approx. 48,000 units to 1,00,000 units and the capacity for ampules would increase from 1,76,900 units to 2,61,000 units.

The capital expenditure towards the above upgradation

Description	Estimated cost (Rs. lakhs)	Order placement status	Supplier identified
Major manufacturing machines			
(a) Combi line for fill/finish Vials and Ampoules from Washing Depyrogenation Tunnel & Filling / capping			
- Filling / Caping	135.00	Placed in Sept 2021	United Engineering Co.
- Depyrogenation Tunnel	55.00	Placed in Sept 2021	Venera Biotech Systems P Ltd
- LAF & O-Rabs	25.00	Placed in Dec 2021	Brinda Pharma Technologies P Ltd
(b) Equipment Sterilizer (autoclave)	50.00	Placed in Oct 2021	Machinfrbrik Industries P Ltd
(c) Manufacturing Equipment – automation and upgradation for 500 litres and 1,000 litres capacity; Filtration Tanks 2 x 500 litres; Filter pumps CIP/SIP systems with piping	150.00	Placed in Oct 2021	Adam Fabriwerk P Ltd
(d) Particle counters	30.00	Placed in Dec 2021	Shreedhar Equipments
Sub-total	**445.00**		
Water System			
(a) Purified water generation & distribution and water for injection generation and distribution	120.00	Placed in Oct 2021	TSA Process Equipments P Ltd
(b) Pure steam generation	22.00	Placed in Oct 2021	Machinfrbrik Industries P Ltd
Sub-total	**142.00**		
HVAC Systems with EMS / BMS	120.00	Placed in Dec 2021	Airmax (Guj) P Ltd
Clean room panels, ceilings and doors	85.00	Placed in Sept 2021	Integrated Cleanroom Tech P Ltd
Demolition and site development	40.00	Pending	-
Utility and piping – Compressed air piping; steam and loop; cooling & heating; and chilling piping & installation	30.00	Pending	-
Electrical			
(a) Electrical cables, light fixing, panels, UPS	55.00	Pending	-
(b) New transformer – 500 KVA	25.00	Pending	-
(c) DG Set – (automation of existing)	10.00	Pending	-
Sub-total	**90.00**		

Description	Estimated cost (Rs. lakhs)	Order placement status	Supplier identified
Door access, IT computer, Office furniture, electronics, CCTA, access control, UPS and smoke detector	**45.00**	Pending	-
Fire Hydrant loop	**20.00**	Pending	-
Entry – exit equipments / furniture, DPB, POB, LAF	**20.00**	Pending	-
In-process equipments	**20.00**	Pending	-
Professional services	**15.00**	Pending	-
Contingencies and miscellaneous	**50.00**	-	
TOTAL	**1,122.00**		

* the cost of the equipment for which orders are yet to be placed, have been estimated by the management based on their experience

Orders for about 70% of the total required equipment under the upgradation programme has been placed and for balance 30% of the equipment / services, orders are yet to be placed.

Save for the approval of the revised layout plan by Gujarat FDA within the manufacturing unit, no fresh approvals are required for the proposed upgradation programme.

The cost of the capex / upgradation is proposed to be met out of the proceeds of the present rights issue.

Location of the project - the upgradation is proposed to be implemented at our manufacturing facility at Plot No. 29/3, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad.

Plant and machinery, technology, process etc.

The proposed project is primarily for upgradation of facility with respect to modernisation and GMP compliance. The upgradation will enable the plant to be offered for WHO-GMP certification and also for various ROW country markets, thus providing scope for exports. Plant and machinery will majorly comprise of an automated ampoule and vial combi line, New HVAC and Water systems. The project will also marginally enhance the manufacturing capacities of the Unit, the major advantage being flexibility and inter-changeability between vials and Ampoules manufacturing which is currently not possible.

The proposed capex plan does not envisage any collaboration / performance guarantee or assistance in marketing

Infrastructure facilities –the capex is proposed to be carried out at the existing Unit and as such infrastructure facilities for raw materials and utilities viz. water, electricity etc. are already available and no additional requirements are anticipated.

Schedule of implementation / delivery schedule of the machineries for the upgradation project

Serial	Particulars	Schedule
1	Removal of old machineries	January 2022
	Removal of old HVAC and ducting	
	Demolition of walls and section	
	Finishing of demolition area	
2	Installation of clean room partitions and panels	February 2022
	Installation of new HVAC ducting, AHUs	
	Installation of water system	
	Installation of new equipments and machineries	
3	Clean room finishing	March 2022
4	Qualification of Water System	Mid-April 2022
	Qualification of HVAC	
	Qualification of Equipment and machineries	
5	Process validation and media fill	April 2022
6	Commencement of production	May 2022

2. Issue Related Expenses (Rs. 40 lakhs)

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses, and registrar and depository fees. The estimated Issue related expenses are as follows :

Expenses	Amount (Rs. lakhs)	% of estimated issue expenses	% of issue size*
Fees payable to the intermediaries (Lead Manager fees, registrar fees, Bankers to the Issue, Auditors etc) including reimbursement of out-of-pocket expenses	28.50	71.25	1.93
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	6.50	16.25	0.44
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	5.00	12.50	0.34
Total *	40.00	100.00%	2.71

* *Subject to finalisation of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall adjusted with the amount allocated towards general corporate purposes.*

3. General Corporate Purposes (Rs. 313.09 lakhs)

Our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) brand building and other marketing expenses; (b) funding growth opportunities, including strategic initiatives; (c) acquiring additional assets, such as plant and machinery, furniture and fixtures, and intangibles; (d) acquisitions in pursuance of inorganic growth opportunities; (e) meeting any expenses incurred in the ordinary course of business by us, including salaries and wages, rent, administration expenses, insurance related expenses, reduction of consolidated borrowings and the payment of taxes and duties; (f) meeting of exigencies which we may face in course of any business; and (g) any other purpose as permitted by applicable laws and as approved by the Board of Directors.

Working Capital – Our Company does not envisage any immediate need for additional working capital. If such a requirement arises in future, the Company is confident of raising its required amount from bankers.

Interim use of Net Proceeds

Our Company, in accordance with the policies of established by the Board, from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds in deposits with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration.

Bridge financing facilities and other financial arrangements

Considering the seasonality of some of the formulations being manufactured by the Company and considering the gestation period involved from ordering to receipt of the important plant & machineries and other equipment, mainly imported, which are part of the project, the Company has already issued many of the purchase orders for the plant & machineries and equipment and has also paid advances to the suppliers and/or has opened LC favoring the suppliers. The Company will continue to spend funds on this project in the intervening period between now and completion of the rights equity issue formalities and deployment of rights equity issue proceeds through borrowings / loans / ICDs and advances from customers. These monies so borrowed will be repaid out of the proceeds of this rights equity issue.

Monitoring of Utilisation of Funds

Since the Issue is for an amount less than Rs. 100 crores, in terms of Regulation 82(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall, on an annual basis or on such periodicities as may be prescribed, prepare a statement of funds utilised for purposes other than those stated above and place it before our Audit Committee, until such time the full money raised through this Issue has been fully utilized. The statement shall be certified by the Statutory Auditors of our Company. Our Audit Committee shall make recommendations to our Board for further action, if appropriate.

Appraising Agency

None of the Objects for which the Net Proceeds will be utilised, require appraisal from any agency in terms of applicable law.

Other Confirmations

Other than as disclosed above, no part of the Issue proceeds will be paid by our Company to our Promoter, our Promoter Group or our Directors.

Strategic or financial partners to the project or objects of the issue

There are no strategic or financial partners to the Objects of the Issue

Interest of Promoter, Promoter Group and Directors, as applicable to the objects of the Issue

Other than as disclosed above, no part of the Issue proceeds will be paid by our Company to our Promoter, our Promoter Group or our Directors.

STATEMENT OF TAX BENEFITS

Statement of possible special tax benefits available to the Company and its Shareholders

The Board of Directors
Makers Laboratories Limited
54-D, Kandivli Industrial Estate,
Charkop, Kandivli (West), Mumbai – 400 083

Dear Sirs,

Sub: Proposed Right Issue of Equity Shares ("Issue") by Makers Laboratories Limited ("Company")

We report that there are no possible special direct tax benefits available to the Company and its shareholders under the Income-tax Act, 1961, presently in force in India.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither we are suggesting nor advising the investor to invest money based on this statement.

The contents of this statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby give consent to include this statement of tax benefits in the Letter of Offer and in any other material used in connection with the Rights Issue.

Yours faithfully,
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Regn. No.: 106971W

N. Jayendran
Partner
Membership No.: 40441
Place : Mumbai
Date : 06-01-2022
Ref : A/0119/NJ/21-22/239
UDIN: 22040441AAAAAB1229

ABOUT US

INDUSTRY OVERVIEW

India ranks 3rd worldwide for pharmaceutical production by volume and 14th by value. The country has an established domestic pharmaceutical industry, with a strong network of about 3,000 drug companies and about 10,500 manufacturing units.

India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic medicines demand in the US and 25% of all medicine in the UK. Globally, India ranks 3rd in terms of pharmaceutical production by volume and 14th by value. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing units.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are manufactured and supplied by Indian pharmaceutical firms.

Market Size

According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India’s domestic pharmaceutical market is estimated at US$ 42 billion in 2021 and likely to reach US$ 65 billion by 2024 and further expand to reach ~US$ 120-130 billion by 2030.

India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics. The Indian biotechnology industry was valued at US$ 64 billion in 2019 and is expected to reach US$ 150 billion by 2025.

India’s medical devices market stood at US$ 10.36 billion in FY20. The market is expected to increase at a CAGR of 37% from 2020 to 2025 to reach US$ 50 billion.

Exports

India’s drugs and pharmaceuticals exports stood at US$ 24.44 billion in FY21. India is the 12th largest exporter of medical goods in the world in value. The country’s pharmaceutical sector contributes 6.6% to the total merchandise exports. As of May 2021, India supplied a total of 586.4 lakh COVID-19 vaccines, comprising grants (81.3 lakh), commercial exports (339.7 lakh) and exports under the COVAX platform (165.5 lakh), to 71 countries. Indian drugs are exported to more than 150 countries in the world, with US being the key market. Generic drugs account for 20% of the global export in terms of volume, making the country the largest provider of generic medicines globally.

Road Ahead

Medicine spending in India is projected to grow 9 to 12% over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers, which are on the rise.

The Indian Government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

OUR HISTORY AND BUSINESS OVERVIEW

Our Company was incorporated on July 9, 1984 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai and obtained the Certificate of Commence of Business on July 21, 1984. Our Company was formed by a group of businessmen and Chartered Accountants consisting of Mr. Naval G Tated, Mr. Satish K Gupta, Mrs. Bhanu N Tated, Mrs. Bharati S Gupta, Mr. Popatlal G Tated, Mr. Suresh K Gupta and Mr. Girdharilal Gupta.

Management of our Company was changed in April 1988 when it was taken over by a group consisting of Mr. Ajitabh Bhachchan, Mr. Premchand Godha and Mr. M R Chandurkar. During the year 1997, Mr. Ajitabh Bachchan and his group divested their entire shareholding in our Company in favour of the group consisting of Mr. Premchand Godha and Mr. M R Chandurkar. The entire shareholding of Mr. Ajitabh Bachchan and his group was acquired by Mr. Premchand Godha and Mr. M R Chandurkar through their nominees viz. Win Laboratories Limited, Exon Laboratories Private Limited (now known as Kaygee Laboratories Private Limited), Mr. Nirmal Jain and Mr. Premchand Godha pursuant to Regulation 3(1)(e)(iii)(b) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("SEBI SAST Regulations, 1997"), being inter-se transfer of shares amongst the promoters.

The registered office of our Company is situated at 54-D, Kandivali Industrial Estate, Kandivali (West), Mumbai – 400 067; Tel : 022-28688544; e-mail : investors@makerslabs.com.

We have two factories located at (a) Plot No. 29/3 Phase III, GIDC Industrial Estate, Naroda, Ahmedabad; and (b) Plot No. 30/4 Phase III, GIDC Industrial Estate, Naroda, Ahmedabad. Both these factories are opposite to each other. Apart from this, we have office-cum-warehouse situated at Plot No. 25/4, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad. The factory units and the office-cum-warehouse have been taken on lease basis for a period of 99 years and for 10 years, respectively.

We are growing Indian Pharmaceutical Company with a strong thrust on Generics and Branded Generics drugs and offering high quality products at affordable prices.

Our Company's major thrust is marketing of Branded Generic Pharmaceutical Formulations in Indian market. These formulations are mainly used by the dispensing doctors, nursing homes and hospitals. Our Company is one of the companies in India to start generic business in organized manner at a time when generic market was at its nascent stage. It gets its products manufactured from its own factory in Ahmedabad along with getting products manufactured on P2P and loan license basis from other cGMP standard manufacturing facilities of various pharmaceutical companies situated across India.

Our Company's products have a good presence among the Dispensing Doctors & Retail chemists and e-Pharmacies across India. Our Company provides cost effective medicines in various therapy segments to the end users.

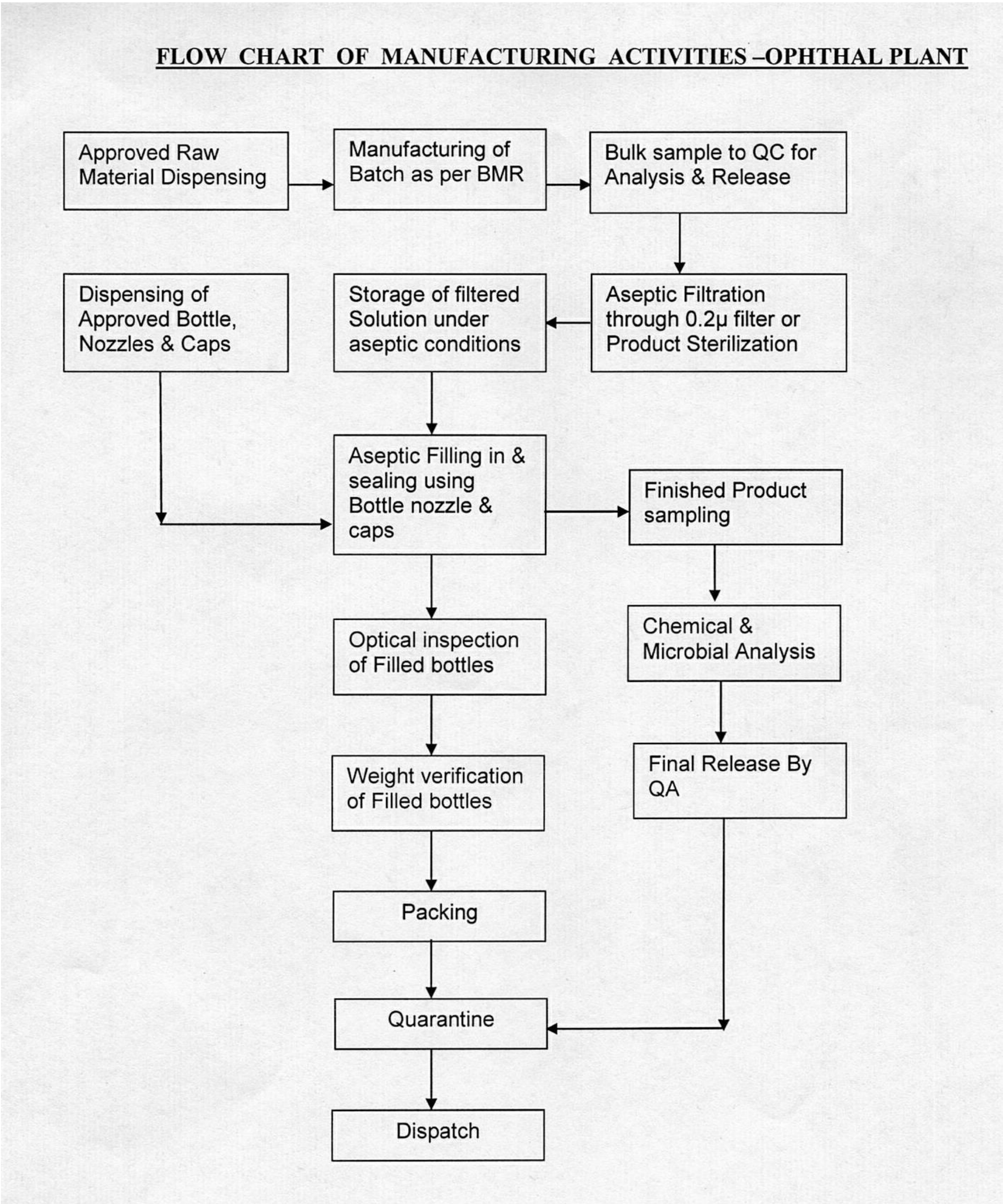
Our Company has a product range of around 170 products in therapy segments such as Anti Malarials, Analgesics, Anti Pyretics, Anti-Allergy, Nutritional Supplements, Dermatology, Ophthalmic, Anti Diabetic, Anti-Hypertensives etc.

Our Company has warehouses in Ahmedabad, Ambala and Mumbai which in turn cater to Distributors across India. The Distributors appointed by our Company have a good network of Medical Institutions, Dispensing Doctors and Retail chemist in Major cities as well as many far reaching rural markets.

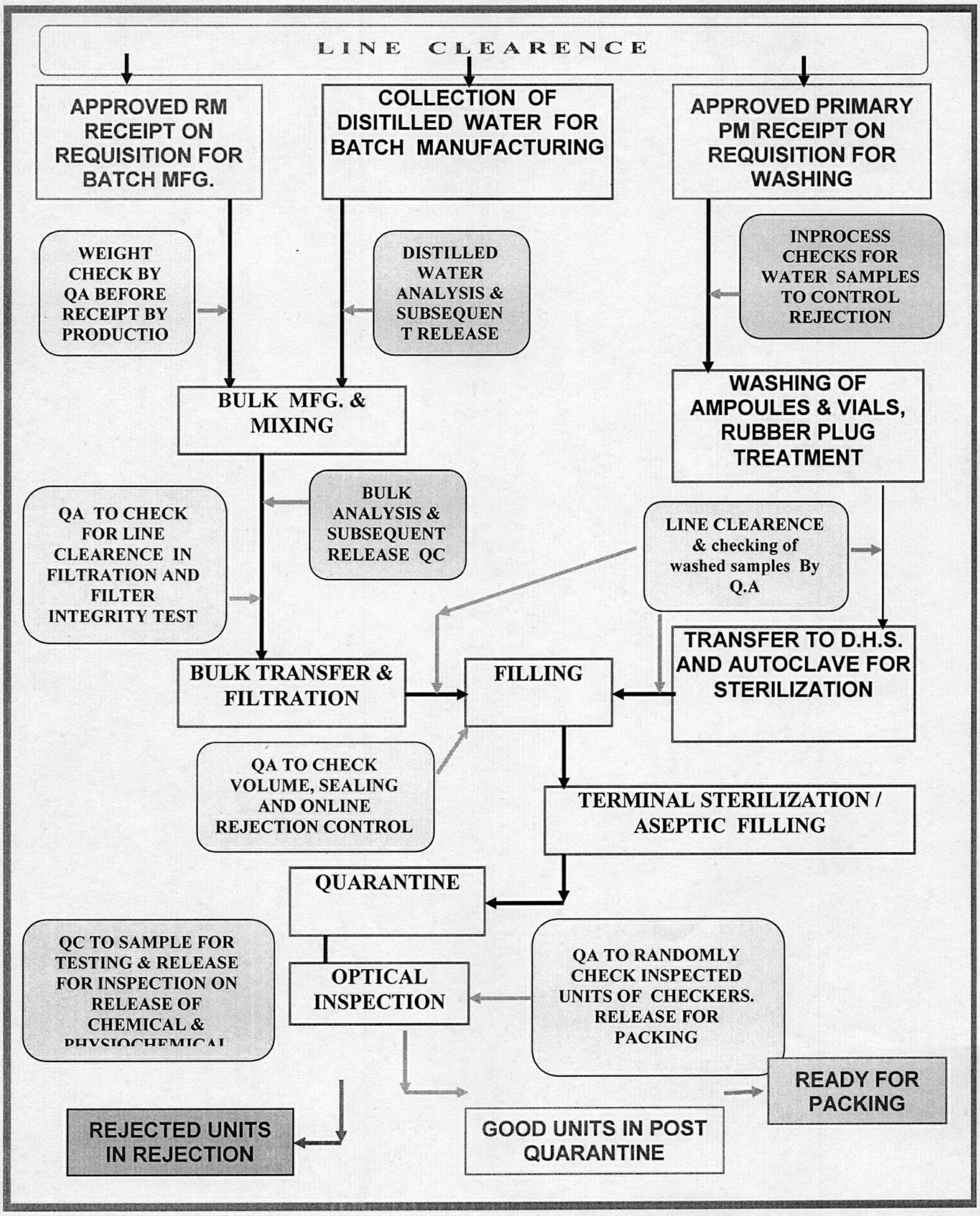
Some of the Popular Brands of our Company are Arofen Plus Gel (Pain relief Gel), Corima (Platelet Booster), Winlyte (Oral Rehydration Salt), Nimuwin Plus (Analgesic) and Artemak (anti-Malarial).

Our Company has a marketing field strength of around 80 covering major geographical parts of the country

During the financial year 2020-21, MLL commercialised an ophthalmic / eye drops manufacturing facility at Plot No. 30/4, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad and has started commercially manufacturing few ophthalmic eye drops. Further ophthalmic formulations are currently in the development stage.



FLOW CHART OF MANUFACTURING ACTIVITIES –INJECTION PLANT



Approach to marketing and business strategy

Our Company has been pioneer in supplying its products to dispensing Doctors (generic). Over a period of time, we have also developed good network with retail Chemists across the country. Thus we are catering to dispensing doctors as well as retail chemists across India. Generic products as compared with ethical products are cheaper and find good market with dispensing doctors / chemists in rural areas since the locals find these products more affordable. As marketing strategy, we approach the doctors through our marketing network, located in North, West, South and East zones. Each Zone is headed by a Zonal head who would depute their team of Medical Representatives for visiting various doctors / chemists for marketing of our products. Enquires / orders are generated from the respective doctors / chemists which in turn is passed on to the Stockists. Based on the orders, the stocklists would supply the products to the distributors. We have 3 major Depots – Mumbai, Ahmedabad and at Ambala.

Most of our manufacturing process is split into two parts – one on loan & licence basis (contract manufacturing) and other one on Principal to Principal (P2P) basis wherein we order the products with Company who supply the goods to us i.e. label showing manufactured by other company(ies) and marketed by us. Under the contract manufacturing, the products are manufactured by us and the entire production process is controlled by us. The products manufactured are sent to the various Depots from where the distribution would takes place.

We also cater to institutional orders / supplies through our distributors and also have our presence on online portals for supply of our products.

In terms of our products, our major contributing therapy segments are pain and analgesic segment followed by anti-malarials.

Productive capacity and extent of utilization of our Company's facilities

The current capacity of our facilities at Plot 29/3, GIDC Industrial, Naroda, Ahmedabad (Injection plant) is as under (*on a working of 26 days per month*) :

Product	Capacity per month	Capacity Per annum
Vials (26 days a month)	12.50 lakhs	120.00 lakhs
Ampoules (26 days a month)	46.00 lakhs	552.00 lakhs

The capacity of the Vials/Ampules manufacturing post the upgradation would be as under (*on a working of 26 days per month*) :

Product	Capacity per month	Capacity Per annum
Vials (for 8 days p.m.)	8.00 lakhs	96.00 lakhs
Ampoules (18 days p.m.)	47.00 lakhs	564.00 lakhs

Thus, on a per day basis, the manufacturing capacity for vials would increase from approx. 48,000 units to 1,00,000 units and the capacity for ampoules would increase from 1,76,900 units to 2,61,000 units.

During September 2020, our Company, alongwith Kaygee Investments Private Limited (a promoter group company) acquired controlling interest in Resonance Specialities Limited (RSL), a BSE Limited entity, and in compliance with the SEBI SAST Regulations, 2011, made an open offer to the shareholders of RSL. Brief details of the acquisition is as under :

Rationale for the Open Offer	Our Company alongwith Kaygee Investments Private Limited the Acquirers, entered into a Share Purchase Agreement on September 29, 2020 ("SPA") with all the promoters of RSL wherein they agreed to sell / transfer and the Acquirers agreed to acquire in aggregate 62,62,000 Equity Shares representing 54.24% of fully paid-up Equity Share capital and voting capital of RSL through block deal / normal market / off-market purchase at a price of Rs. 42.60 per Equity Share of RSL. The execution of the SPA triggered the provisions of SEBI SAST Regulations, 2011.
Number of Shares for which open offer was made	30,01,440 Equity Shares being 26% of the paid-up capital of RSL
Offer Price	Rs. 55.50 per Equity Share
Name of the Acquirers	Makers Laboratories Limited and Kaygee Investments Private Limited
Offer opening date	November 26, 2020
Offer closure date	December 10, 2020
Date of completion of all post-open offer formalities i.e. payment of consideration etc	December 17, 2020
Number of Shares acquired in the Open Offer	201 Equity Shares
Total holding of Makers Laboratories Limited post open offer	52,50,000 Equity Shares constituting 45.48% of the paid up capital of RSL. Balance 10,12,201 Equity Shares constituting 8.77% of the paid up capital of RSL is held by Kaygee Investments Private Limited, a promoter entity.

Our Company consider Resonance Specialities Limited as its subsidiary company since it has defacto control over the affairs of the RSL. Therefore, our company consolidate the financials of RSL with itself and accordingly publishes the consolidated audited financial results.

OUR MANAGEMENT

Board of Directors

Our Board of Directors presently consists of six Directors. The Articles of Association provide that our Company shall not have less than 3 Directors and not more than 12 Directors or such number as provided in the Companies Act, 2013.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring Director is eligible for re-election. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five consecutive years each. Any re-appointment of Independent Directors shall, inter alia, be on the basis of the performance evaluation report and approved by the shareholders by way of Special Resolution.

The following table sets forth details regarding our Board of Directors as of the date of this Letter of Offer

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Letter of Offer
Mr. Raj Kamal Prasad Verma **Designation**: Chairman/Independent Director **Address**: Flat No. 1902 Challenger Tower, 2, Thakur Village, Kandivali (East), Mumbai – 400 101. **DIN**: 02166789 **Date of Birth**: March 22, 1949 **Term**: 5 years **Period of Directorship**: Since February 13, 2019 **Occupation** : Professional	73	Krebs Biochemicals and Industries Limited Resonance Specialties Limited Evse Ready India Private Limited
Mr. Vishal Babulal Jain **Designation**: Independent Director **Address**: B-601 6th floor, Water Fort Building Juhu Galli, C D Barfiwala Lane, Andheri (West), Mumbai – 400 058 **DIN**: 00137986 **Date of Birth**: February 18, 1976 **Term**: 5 years **Period of Directorship**: Since November 4, 2020 **Occupation** : Business	46	Vipra Closures Private Limited Future Colours And Chemicals Pvt Ltd V Everywhere Foods LLP
Ms. Dipti Chinubhai Shah **Designation**: Independent Director **Address**: Jai Bhagwan Building, 3rd floor Flat No. 10, 87 Walkeshwar Road Malabar Hill, Mumbai – 400 006 **DIN**: 07995542 **Date of Birth**: June 24, 1973 **Term**: 5 years **Period of Directorship**: Since January 29, 2018 **Occupation** : Advocate	49	

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Letter of Offer
Mr. Prashant Premchand Godha **Designation**: Non-independent Director **Address**: 1701/02 Oberoi Sky Heights Lokhandwala Complex, Andheri (W), Mumbai – 400 053 **DIN**: 00012759 **Date of Birth**: November 16, 1974 **Term**: 1 year, liable for retirement by rotation **Period of Directorship**: Since August 18, 2021 **Occupation** : Business	48	Paschim Chemicals Private Limited Kaygee Laboratories Private Limited Resonance Specialties Limited Paranthapa Investments & Traders Private Limited Gudakesh Investment and Traders Private Limited Mexin Medicaments Private Limited Kaygee Investments Private Limited Ipca Laboratories Limited Capricoating Solutions Private Limited Ipca Foundation
Mr. Saahil Umesh Parikh **Designation**: Wholetime Director **Address**: 3 Shailraj Bunglows, Satelite Road Behind Rajsuya Bunglows Ramdevnagar, Ahmedabad – 380 015 **DIN**: 00400079 **Date of Birth**: January 27, 1975 **Term**: 3 years **Period of Directorship**: Since August 11, 2011 **Occupation** : Professional	47	-
Mr. Nilesh Jain **Designation**: Wholetime Director **Address**: E-5-10 Jai Taramani CHS Bangur Nagar, Goregaon West Mumbai – 400 104 **DIN**: 05263110 **Date of Birth**: April 28, 1975 **Term**: 3 years **Period of Directorship**: Since February 13, 2019 **Occupation** : Professional	47	-

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of filing of this Draft Letter of Offer, whose shares have been or were suspended from being traded on BSE or NSE, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange in India, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Draft Letter of Offer:

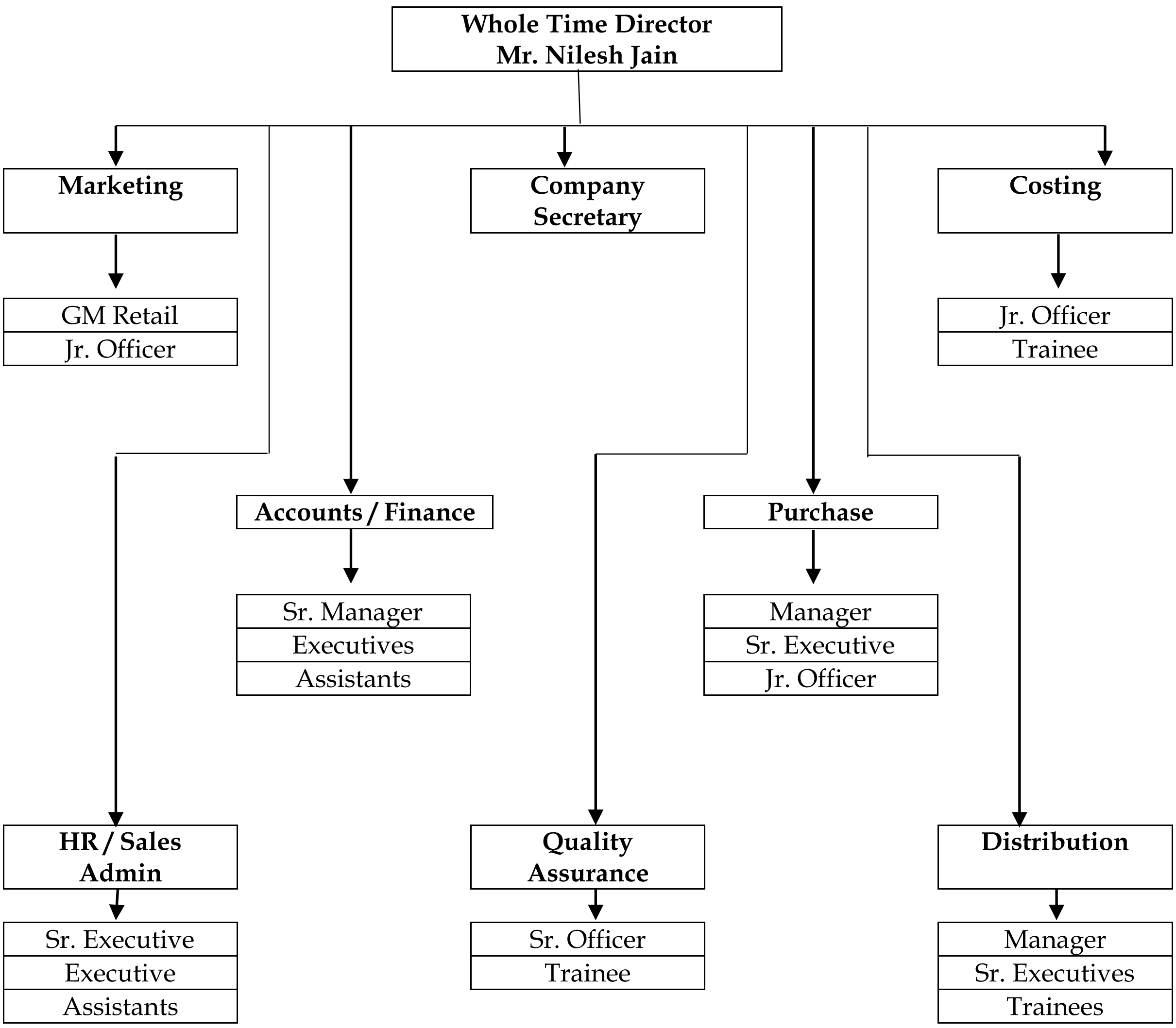
Details of Key Senior Personnel

Name & Designation	Qualification	Date of appointment
Mr. Saahil Parikh, Wholetime Director	B.Sc., DMS	July 1, 1996
Mr. Nilesh Jain, Wholetime Director	B.Com, MMS	March 28, 2017
Mr. Sandeep Kadam, CFO	B.Com	December 26, 1996
Mr. Rajesh Patel, Production Manager	B.Sc (Chemistry)	January 10, 1992
Mr. Premnath Yogi, Sr. Manager QA	B.Pharma	June 16, 2018
Mr. Samir Patel, Manager QC	M.Sc (Chemistry)	December 15, 2010
Mr. Dhananjay Wankhade, Microbiology in-charge	M.Sc. (Microbiology)	November 22, 2019

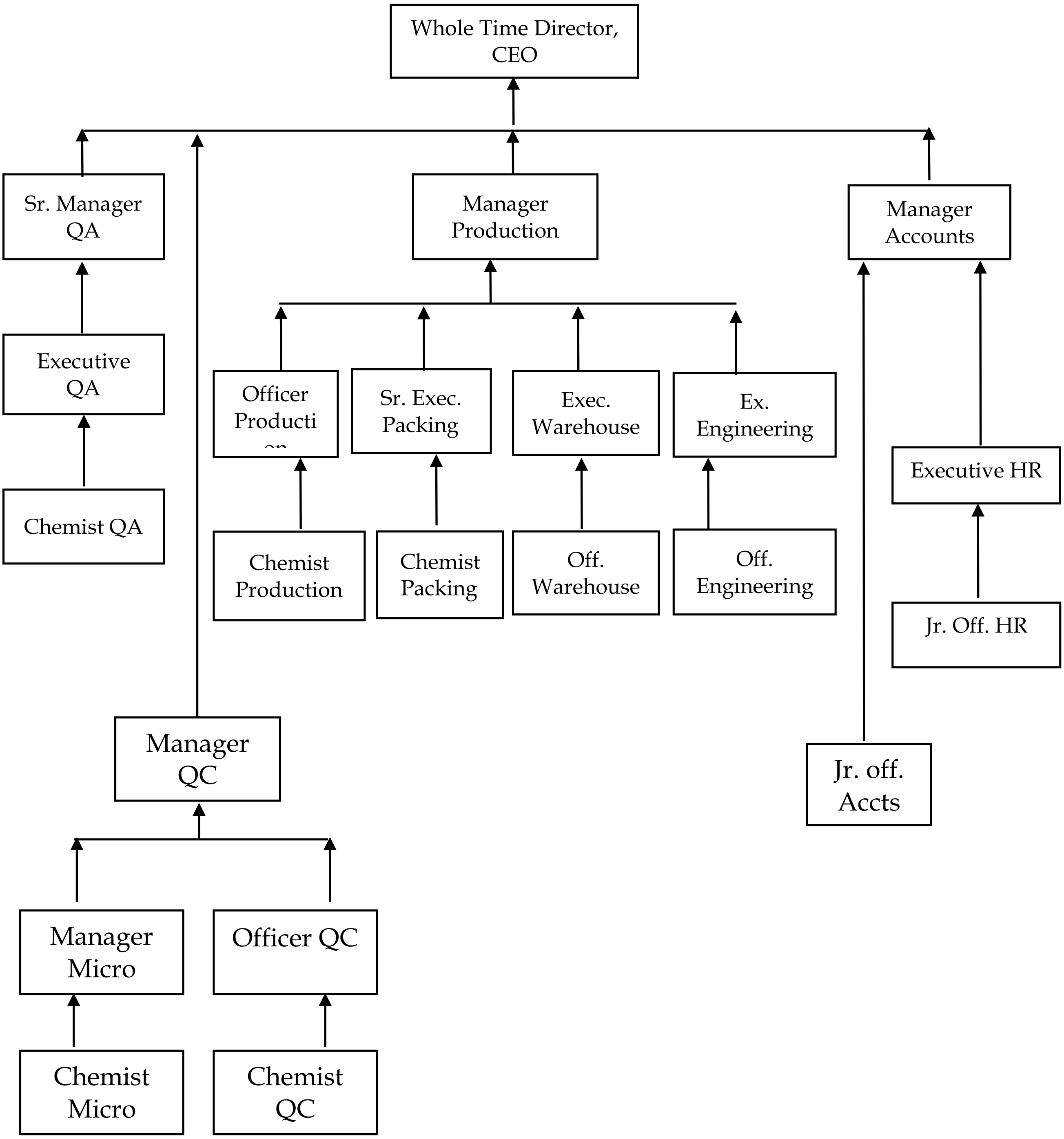
The incumbent Company Secretary has recently resigned and been relieved. A new Company Secretary is being appointed shortly. The details will be updated upon appointment of the Company Secretary.

CURRENT ORGANISATION STRUCTURE – OFFICE AND FACTORY

Office organization chart



Factory organization chart



FINANCIAL INFORMATION – FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To

The Members of
Makers Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Makers Laboratories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of Significant Accounting Policies and other explanatory information. (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in the Board's report including the Directors Report, Chairman's Statement, Management Discussions and Analysis, Summarized Financial Information, Corporate Governance and Shareholder's Information but does not include the Standalone Financial Statements and our Independent Auditors' Report thereon. Our opinion on the Standalone Financial Statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Standalone 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 of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the attached Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Companies Act 2013..

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 37 to the standalone financial statements,

   ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses,

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No- 106971W

N Jayendran
Partner
M. No. – 40441
UDIN: 21040441AAAABM2117

Mumbai,
Dated: June 10, 2021

ANNEXURE A

To the Independent Auditors' Report on the Financial Statements of Makers Laboratories Limited

(i) a. The Company has generally maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipments.

   b. Property, Plant and Equipments have been physically verified by the management during the year and no material discrepancies were identified on such verification.

   b. We have verified the title deeds of immovable properties forming part of Property, Plant and Equipments 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, Limited Liability Partnerships or other parties covered in the register maintained u/s 189 of the Companies Act, 2013 and hence the sub clauses (a), (b) and (c) 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 investment made during the year. The Company has not given any loans, guarantees or security during the year.

(v) The Company has not accepted deposits 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 so made and 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 generally regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise , Goods and Services Tax, cess and other statutory dues to 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, 2021 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no dues of Income tax or Sales Tax or 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 (Rs in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Order under section 143(3) r/w section 147	11.64	AY 2010-11	CIT (Appeals)
Income Tax	Order under section 143(3) r/w section 147	57.46	AY 2011-12	CIT (Appeals)
Income Tax	Order under section 143(3) r/w section 147	11.17	AY 2013-14	CIT (Appeals)
Income Tax	Order under section 143(3) r/w section 147	12.02	AY 2014-15	CIT (Appeals)
Income Tax	Order under section 143(3) r/w section 147	21.64	AY 2015-16	CIT (Appeals)
	Total	113.93		

(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 loans or borrowings to a financial institution, Government or bank. Further, the company has not obtained any borrowings by way of debentures.

(ix) The company has not raised any money by way of initial public offer / further public offer (including debt instruments) during the year. On the basis of the documents submitted to the bankers and the other records perused by us, we have to state that the term loan taken during the year have been applied for the purpose for which the loan was obtained.

(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 any fraud 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 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 Financial Statements as required by the applicable Accounting Standards.

(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

Mumbai, M. No. – 40441
Dated: June 10, 2021 UDIN: 21040441AAAABM2117

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls with reference to Financial Statements 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, 2021 in conjunction with our audit of the Standalone 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 with reference to Financial Statements 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 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No- 106971W

N Jayendran
Partner
M. No. – 40441
UDIN: 21040441AAAABM2117

Mumbai,
Dated: June 10, 2021

Standalone Balance Sheet as at March 31, 2021

Particulars		Note	As at Mar 31, 2021 ₹ in lacs	As at Mar 31, 2020 ₹ in lacs
	ASSETS			
(1)	**Non-current Assets**			
	(a) Property, Plant & Equipment	3	**2,844.86**	3,055.85
	(b) Capital Work-in-Progress	3C	**12.42**	66.60
	(c) Right Of Use Asset	3B	**206.34**	225.89
	(d) Other Intangible Assets	3A	**7.80**	6.92
	(e) Intangible Assets Under Development	3C	**-**	2.07
	(f) Financial Assets			
	(i) Investments	4	**2,365.87**	1,503.65
	(ii) Loans	5	**61.11**	66.90
	(iii) Others	6	**1.20**	1.13
	(g) Other Non-current Assets	7	**92.16**	81.62
			5,591.76	5,010.63
(2)	**Current Assets**			
	(a) Inventories	8	**1,088.73**	1,068.54
	(b) Financial Assets			
	(i) Investments	4	**-**	-
	(ii) Trade receivables	9	**718.74**	755.33
	(iii) Cash and Cash Equivalents	10	**25.55**	86.66
	(iv) Bank Balances other than (iii) above	11	**8.86**	9.54
	(v) Loans	5	**0.02**	0.72
	(vi) Others	6	**178.74**	109.47
	(c) Current Tax Assets (Net)		**-**	-
	(d) Other Current Assets	7	**299.19**	346.60
			2,319.83	2,376.86
	TOTAL ASSETS		**7,911.59**	7,387.49
	EQUITY & LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	12	**491.70**	491.70
	(b) Other Equity	13	**4,470.40**	3,970.23
	Total Equity		**4,962.10**	4,461.93
	LIABILITIES			
(1)	**Non-current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	14	**552.84**	598.12
	(ii) Other Financial Liabilities	15	**-**	-
	(iii) Lease Liability	33	**197.20**	204.66
	(b) Provisions	16	**21.96**	19.01
	(c) Deferred Tax Liabilities (Net)	17	**47.73**	167.75
	(d) Other Non-current Liabilities	18	**-**	-
			819.73	989.54
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	19	**571.42**	253.02
	(ii) Trade Payables	20		
	- Due to Micro, Small and Medium enterprises		**105.25**	137.46
	- Due to Others		**519.24**	595.91
	(iii) Other Financial Liabilities	15	**706.27**	719.06
	(iv) Lease Liability	33	**31.85**	31.20
	(b) Other Current Liabilities	18	**20.18**	30.07
	(c) Provisions	16	**169.63**	169.30
	(d) Current Tax Liabilities (Net)		**5.92**	-
			2,129.76	1,936.02
	TOTAL EQUITY AND LIABILITIES		**7,911.59**	7,387.49

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 June 10, 2021

For and on behalf of the Board of Directors

Saahil Parikh
(DIN 00400079)
Wholetime Director

Nilesh Jain
(DIN 05263110)
Wholetime Director

Prashant Godha
(DIN 00012759)
Additional Director

Khyati Danani
(ACS 21844)
Company Secretary

Sandeep Kadam
CFO

June 10, 2021

Standalone Statement of Profit and Loss for the year ended March 31, 2021

	Particulars	Note	2020-21 ₹ in lacs	2019-20 ₹ in lacs
I	**Revenue from Operations**	21	**4,441.14**	5,139.66
II	**Other Income**	22	**41.40**	22.55
III	**Total Income (I + II)**		**4,482.54**	5,162.21
IV	**Expenses:**			
	Cost of Materials Consumed	23	**621.98**	782.33
	Purchase of Stock in trade	24	**1,644.82**	2,098.46
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	**(20.55)**	70.14
	Employee Benefit Expenses	26	**763.02**	783.88
	Finance Cost	27	**158.90**	70.31
	Depreciation & Amortisation	28	**419.58**	198.75
	Other Expenses	29	**1,102.20**	1,133.44
	Total Expenses (IV)		**4,689.95**	5,137.31
V	**Profit/ (Loss) Before exceptional items and Tax (III-IV)**		**(207.41)**	24.90
VI	**Exceptional Items**		**-**	-
VII	**Profit/ (Loss) Before Tax (V+VI)**		**(207.41)**	24.90
VIII	**Tax Expense**			
	1. Current Tax	30	**-**	3.82
	2. Short / (Excess) Provision of earlier years	30	**(16.70)**	-
	3. Deferred Tax Liability / (Asset) incl. MAT Credit	30	**(29.05)**	33.46
IX	**Profit/ (Loss) for the period (VII-VIII)**		**(161.66)**	(12.38)
X	**Other Comprehensive Income**			
	Items that will not be reclassified subsequently to profit or loss			
	(a) Actuarial gain and loss		**(5.10)**	(8.58)
	Tax Effect thereon	31	**-**	1.34
	(b) Fair Value change through Other Comprehensive Income		**720.80**	417.10
	Tax Effect thereon	31	**(53.87)**	(46.42)
	Other Comprehensive Income for the year, net of tax		**661.83**	363.44
	Total Comprehensive Income for the year		**500.17**	351.06
XI	**Earnings per Equity Share :**			
	Par Value ₹ 10 each			
	Basic (in Rs.)	32	**(3.29)**	(0.25)
	Diluted (in Rs.)	32	**(3.29)**	(0.25)

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 June 10, 2021

For and on behalf of the Board of Directors

Saahil Parikh
(DIN 00400079)
Wholetime Director

Nilesh Jain
(DIN 05263110)
Wholetime Director

Prashant Godha
(DIN 00012759)
Additional Director

Khyati Danani
(ACS 21844)
Company Secretary

Sandeep Kadam
CFO

June 10, 2021

Standalone Cash Flow Statement for the year ended 31st March, 2021

			Mar'21 ₹ in lacs	Mar' 20 ₹ in lacs
A.	**Cash Flow from Operating Activities**			
	1)	**Net profit before taxation and extraordinary item**	**(207.41)**	24.90
		Adjustments for :		
		Depreciation	**419.58**	198.75
		(Profit)/ Loss on sale of Property, Plant & Equipment	**(0.26)**	4.89
		Bad debts w/off	**0.96**	2.93
		Sundry balances written back	**(8.32)**	-
		Reversal of provision for Doubtful debts	**(1.56)**	(0.36)
		(Profit)/Loss on Sale of Investment	**(17.10)**	(4.46)
		(Profit)/Loss on financial assets measured at FVTPL	**-**	29.94
		Unwinding of Lease rent Income	**(0.47)**	(0.18)
		Unwinding of Lease rent Expenses	**0.15**	-
		Interest income	**(4.64)**	(2.32)
		Dividend income	**(0.04)**	(9.09)
		Interest expense	**158.74**	70.31
			339.63	315.31
	2)	**Operating profit before working capital changes**		
		(Increase) / Decrease in Receivables & Advances	**23.16**	(320.98)
		Decrease / (Increase) in inventories	**(20.19)**	95.98
		Increase / (Decrease) in Payables, liabilities & provisions	**(138.03)**	336.20
	3)	**Cash generated from operation**	**204.57**	426.51
		Income tax paid (net)	**(138.01)**	(3.82)
		Net cash from operating activities	**66.56**	422.69
B.	**Cash Flow from Investing Activities**			
		Purchase of Property, Plant & Equipment including capital WIP	**(144.33)**	(858.96)
		Proceeds from Sale of Plant, Property and Equipment	**0.70**	0.81
		Investments in Subsidiary	**(2,244.41)**	-
		Sale of Investments	**2,120.09**	-
		Investments in Mutual Funds	**-**	(1,400.00)
		Redemption in Mutual funds	**-**	1,404.46
		Movement in other bank balances	**(0.68)**	(0.27)
		Interest received	**3.91**	2.01
		Dividend received	**0.04**	9.09
		Net cash from / (used) in investing activities	**(264.68)**	(842.86)
C.	**Cash Flow from Financing Activities**			
		Interest paid	**(132.01)**	(40.07)
		Proceeds from short term borrowing (Net)	**318.40**	251.43
		Proceeds from Non-Current borrowing	**200.00**	233.15
		Repayment from Non-Current borrowing	**(217.50)**	(54.37)
		Payment of lease Liability		
		- Interest	**(24.40)**	(25.29)
		- Principal	**(6.80)**	(15.05)
		Dividend & dividend tax paid	**(0.68)**	(59.01)
		Net cash from (used in) financing activities	**137.01**	290.79
	Net increase / (decrease) in cash and cash equivalents (A + B + C)		**(61.11)**	(129.38)
	Cash and cash equivalents at beginning of year		**86.66**	216.04
	Cash and cash equivalents at end of year		**25.55**	86.66
	Components of Cash & Cash equivalents :			
	Cash and cheques on hand		**24.95**	85.92
	Balance with banks		**0.60**	0.74
			25.55	86.66

Refer note no. 14 (d) for reconciliation of liabilities from financing activities

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 June 10, 2021

For and on behalf of the Board of Directors

Saahil Parikh	**Nilesh Jain**	**Prashant Godha**
(DIN 00400079)	(DIN 05263110)	(DIN 00012759)
Wholetime Director	Wholetime Director	Additional Director
	Khyati Danani	**Sandeep Kadam**
	(ACS 21844)	CFO
June 10, 2021	Company Secretary	

1. Standalone Statement of Changes in Equity for the Year ended March 31, 2021

Equity Share Capital

Equity share capital of face value (Rs.) 10.00 each	No. of shares	₹ in Lacs
Balance as at March 31, 2019	49,16,980	491.70
Changes in equity share capital during the year	-	-
Balance as at March 31, 2020	49,16,980	491.70
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	**49,16,980**	**491.70**

Other Equity

₹ in Lacs

Particulars	Reserves and Surplus				Other Equity: Other comprehensive income — Not Reclassified to P&L	Total
	Capital reserve	Securities premium	General Reserve	Retained earnings	Fair Value of Investment through OCI	
Balance as on April 1, 2019	302.76	108.64	1,200.00	1,271.09	795.96	3,678.45
Profit for the period	-	-	-	(12.38)	-	(12.38)
Gain/ (Loss) on Fair Value of Investment through OCI (Net of tax thereon)	-	-	-	-	370.68	370.68
Actuarial gain/(loss) on gratuity (Net of tax thereon)	-	-	-	(7.24)	-	(7.24)
Cumulative catch-up impact of IndAS 115	-	-	-	-	-	-
Dividend	-	-	-	(49.17)	-	(49.17)
Tax on dividend	-	-	-	(10.11)	-	(10.11)
Balance as on Mar 31, 2020	302.76	108.64	1,200.00	1,192.19	1,166.64	3,970.23
Profit for the period	-	-	-	(161.66)	-	(161.66)
Gain/ (Loss) on Fair Value of Investment through OCI (Net of tax thereon)	-	-	-	-	666.93	666.93
Actuarial gain/(loss) on gratuity (Net of tax thereon)	-	-	-	(5.10)	-	(5.10)
Transfer to Retained Earning on Sale of Investment Through OCI	-	-	-	1,840.74	(1,840.74)	-
Balance as on Mar 31, 2021	**302.76**	**108.64**	**1,200.00**	**2,866.17**	**(7.17)**	**4,470.40**

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 June 10, 2021

For and on behalf of the Board of Directors

Saahil Parikh
(DIN 00400079)
Wholetime Director

Nilesh Jain
(DIN 05263110)
Wholetime Director

Prashant Godha
(DIN 00012759)
Additional Director

Khyati Danani
(ACS 21844)
Company Secretary

Sandeep Kadam
CFO

June 10, 2021

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2021.

1. Corporate Information:

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

The financial statements of the company for the year ended March 31, 2021 were authorised for issue in accordance with the resolution passed at the meeting of the Board of Directors held on June 10, 2021.

2. Significant Accounting Policies:

i. Basis of Preparation

Statement of Compliance

The standalone financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act"), the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis, except for the following:

a. certain financial assets and liabilities (including derivative instruments) are measured at fair value; and

b. defined benefit plans - plan assets measured at fair value

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.

The standalone financial statements are presented in INR and all values are rounded to the nearest lacs, except otherwise stated.

ii. Use of Judgments, Estimates and Assumption

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates, judgments 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.

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. 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.

b. Defined benefit plans (Gratuity benefits)

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These inter alia 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.

c. Useful lives of Property, Plant and Equipment

The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

d. Impairment of Property, Plant and Equipment

For property, plant and equipment and intangibles, an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

e. Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

f. Recognition and measurement of other Provisions

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

iii. Current and non-current classification

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.

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 at least 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.

iv. Property, Plant and Equipment

a) 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.

b) Stores and spares which meet the definition of Property, Plant and Equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as Property, Plant and Equipment.

c) 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.

d) 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.

e) 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.

f) The residual useful life of Property, Plant & Equipment is reviewed at each balance sheet date and adjusted if required in the depreciation rates.

g) Depreciation methods, estimated useful lives and residual value

Depreciation on all assets of the Company is charged on straight line method, except the assets at the Ahmedabad manufacturing location which is charged on the written down value 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
Plant & Equipment	5 to 20 Years
Eff. Treatment Plant	15 Years
Vehicle	10 Years
Building	28 to 58 Years
Furniture & Fixtures	10 Years

v. Intangible assets

The Company has elected to fair value its intangible assets on transition date. 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 management has estimated the economic useful life for the various intangible assets as follows:

Brands & Trademarks	4 Years
Software for internal use	4 Years

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 and loss when the asset is derecognised.

vi. Revenue recognition

a. The Company derives revenues primarily from sale of products and services. Revenue from sale of goods is recognised net of returns, product expiry claims and discounts.

   Revenue is recognized on satisfaction of performance obligations upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

   To recognize revenues, the Company applies the following five step approach:

   1. Identify the contract with a customer;
   2. Identify the performance obligations in the contract;
   3. Determine the transaction price;
   4. Allocate the transaction price to the performance obligations in the contract; and
   5. Recognize revenues when a performance obligation is satisfied.

   Performance obligation may be satisfied over time or at a point in time. Performance obligations satisfied over time if any one of the following criteria is met. In such cases, revenue is recognized over time.

   1. The customer simultaneously receives and consumes the benefits provided by the Company's performance; or
   2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Where Revenue is recognized over time, the amount of revenue is determined on the basis of contract costs incurred in relation to estimated contract expenses.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue in respect of transactions thru parties acting as agents is recognised only on completion of the performance obligation of the agent with corresponding accrual of agency commissions.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

b. In case of export benefits which are in the nature of neutralisation of duties and taxes are grouped under material costs. All other export incentives are grouped under other operating revenue.

c. Revenue in respect of insurance/other claims, commission, etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

d. 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).

vii. 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.

viii. Impairment of assets

Carrying amount of Tangible assets, Intangible assets, Investments in Subsidiaries, Joint Venture and Associates (which are carried at cost) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's assets (cash-generating units). Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

ix. Leases

Effective April 1, 2019, the Group has adopted Ind AS 116 “Leases” using the modified retrospective approach as per para C5(b) read along with para C8 of Appendix C , under which the lessee shall;

(i) recognise lease liability at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at the date of initial application.

(ii) recognise a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying Ind AS 17. The lessee shall choose, on a lease-by-lease basis, to measure that right-of-use asset at either ;

- its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee’s incremental borrowing rate at the date of initial application; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

Accordingly, the comparative information has not been restated and continues to be reported under Ind AS 17 “Lease”. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information. The following is the summary of the new and/or revised significant accounting policies related to Leases. Refer Note 1 “Significant Accounting policies”, in the Group’s 2019 Annual Report for the policies in effect for Leases prior to April 1, 2019. The effect of transition on Ind AS 116 was insignificant.

The Group, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term

x. Inventories

Items of inventories are valued at 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 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 (material cost net of refundable taxes, labour cost and all manufacturing overheads) and net realisable value.
Stores and Spares	Stores and spare parts are valued at lower of cost computed on First-in-First- out method and net realisable value.
Traded Goods	Traded Goods are valued at lower of cost and net realisable value.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory in determining net realisable value include ageing of inventory, estimated shelf life, price changes, introduction of competitive new products and such other related factors.

Cost in case of Raw material and Packing material, Stores and Spare and Traded Goods include purchase cost net of refundable taxes and other overheads incurred in bringing such items of inventory to its present location and condition.

xi. 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 in the balance sheet.

xii. Provisions, contingent liabilities and contingent assets

Provision

A Provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

xiii. Retirement and other employee 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 post-employment 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.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia, bonus and performance incentive are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

xiv. Foreign currencies

Transactions and balances:

i. The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

ii. Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction where the settlement of such transactions are taking place at a later date. The exchange gain/loss on settlement / negotiation during the year is recognised in the statement of profit and loss. In case of advance payment for purchase of assets/ goods/services and advance receipt against sales of products/services, all such purchase/sales transaction are recorded at the rate at which such advances are paid/received.

iii. Foreign currency monetary transactions remaining unsettled at the end of the year are converted at year-end rates. The resultant gain or loss is accounted for in the statement of profit and loss.

iv. Non-monetary items that are measured at historical cost denominated in foreign currency are translated using exchange rate at the date of transaction.

xv. Fair Value Measurement

The Company measures financial instruments, such as, derivatives 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.

xvi. Financial instruments

a. 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 atamortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 7 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.

De-recognition of financial instruments

A financial asset is de-recognised 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 obligationto pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risksand rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership ofthe financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company 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 de-recognized from the Company's Balance Sheet when theobligation specified in the contract is discharged or cancelled or expires.

b. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments such as forward currency contracts, interest rate swaps to hedge itsforeign currency risks, interest rate risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract isentered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement ofprofit and loss.

xvii. Cash flow statement

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

xviii. Goods and service tax input credit

Input tax credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

xix. Taxes

Tax expenses comprise Current Tax and Deferred Tax :

a. 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.

b. 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.

c. MATcredit

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 utilize 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.

xx. 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.

Notes to financial statements as at and for the year ended March 31, 2021

3. Property, Plant and Equipment

₹ in Lacs

Particulars	Freehold Land	Building	Plant & Equipment	Office & Other Equipment	Effluent Treatment Plant	Furniture & Fixtures	Vehicles	R & D - Plant & Equipment	Total
Gross Block									
As on 01/04/2019	210.23	1,194.30	659.85	6.40	2.83	35.92	28.55	65.86	2,203.94
Additions	-	240.85	1,108.88	8.08	9.15	32.49	-	25.95	1,425.40
Disposals / Adjustments	-	(0.26)	(8.67)	(0.13)	-	-	-	-	(9.06)
As on 31/03/2020	210.23	1,434.89	1,760.06	14.35	11.98	68.41	28.55	91.81	3,620.28
Additions	-	17.36	151.10	5.16	-	7.90	-	-	181.52
Disposals / Adjustments	-	-	(0.74)	-	-	-	-	-	(0.74)
As on 31/03/2021	**210.23**	**1,452.25**	**1,910.42**	**19.51**	**11.98**	**76.31**	**28.55**	**91.81**	**3,801.06**
Accumulated Depreciation									
As on 01/04/2019	-	86.57	247.49	3.93	1.27	21.23	9.62	24.30	394.41
For the year 2019-20	-	58.68	87.89	1.47	0.35	7.91	4.04	12.79	173.13
Disposals / Adjustments	-	-	(3.03)	(0.08)	-	-	-	-	(3.11)
As on 31/03/2020	-	145.25	332.35	5.32	1.62	29.14	13.66	37.09	564.43
For the year 2020-21	-	75.77	281.53	5.39	1.87	10.22	3.12	14.17	392.07
Disposals / Adjustments	-	-	(0.30)	-	-	-	-	-	(0.30)
As on 31/03/2021	**-**	**221.02**	**613.58**	**10.71**	**3.49**	**39.36**	**16.78**	**51.26**	**956.20**
Net Block as on 31/03/2020	210.23	1,289.64	1,427.71	9.03	10.36	39.27	14.89	54.72	3,055.85
Net Block as on 31/03/2021	**210.23**	**1,231.23**	**1,296.84**	**8.80**	**8.49**	**36.95**	**11.77**	**40.55**	**2,844.86**

3A. Other Intangible Assets

₹ in Lacs

Particulars	Computer Software	Brand / Trade Mark	Total
Gross Block			
As on 01/04/2019	4.75	0.13	4.88
Additions	7.27	-	7.27
Disposals / Adjustments	-	-	-
As on 31/03/2020	12.02	0.13	12.15
Additions	2.71	-	2.71
Disposals / Adjustments	-	-	-
As on 31/03/2021	**14.73**	**0.13**	**14.86**
Accumulated Amortisation			
As on 01/04/2019	4.49	0.13	4.62
For the year 2019-20	0.61	-	0.61
Disposals / Adjustments	-	-	-
As on 31/03/2020	5.10	0.13	5.23
For the year 2020-21	1.83	-	1.83
Disposals / Adjustments	-	-	-
As on 31/03/2021	**6.93**	**0.13**	**7.06**
Net Block as on 31/03/2020	6.92	-	6.92
Net Block as on 31/03/2021	**7.80**	**-**	**7.80**

3B. Right to Use Asset

₹ in Lacs

Particulars	Land
Gross Block	
As on 01/04/2019	-
Additions	250.90
Disposals / Adjustments	-
As on 31/03/2020	250.90
Additions	-
Disposals / Adjustments	6.13
As on 31/03/2021	**257.03**
Accumulated Amortisation	
As on 01/04/2019	-
For the year 2019-20	25.01
Disposals / Adjustments	-
As on 31/03/2020	25.01
For the year 2020-21	25.68
Disposals / Adjustments	-
As on 31/03/2021	**50.69**
Net Block as on 31/03/2020	225.89
Net Block as on 31/03/2021	**206.34**

3C. Capital Work In Progress/ Intangible Assets Under Development

Particulars	Capital Work In Progress			Intangible Assets Under Development
	Building	Plant and Equipment	Total	Software
As at 1st April 2019	88.31	524.86	613.17	4.33
Additions	75.88	647.59	723.47	2.29
Capitalization	161.40	1,108.64	1,270.04	4.55
As at 31st March 2020	2.79	63.81	66.60	2.07
Additions	14.27	93.15	107.42	-
Capitalization	14.60	147.00	161.60	2.07
As at 31st March 2021	**2.46**	**9.96**	**12.42**	**-**

4 Financial Assets - Investments

A. Summary of Non Current Investments

	As at 31/03/2021	As at 31/03/2020
		₹ in Lacs
Investment in Equity Instruments measured at Amortised Cost	**2,244.41**	-
Investment in Equity Instruments measured at Fair value through OCI	**121.46**	1,487.48
Investment in Equity Instruments measured at Fair value through PL	**-**	16.17
Total	**2,365.87**	1,503.65

B.

	Details of Non-current Investments	**Face Value per Equity Instrument (Rs)**	**Number Of Equity Instruments**		**₹ in Lacs**	
			31-03-2021	31-03-2020	**31-03-2021**	31-03-2020
	Investments measured at Cost fully paid - in Subsidiary					
	Quoted equity shares					
1	Resonance Specialties Ltd	10	**52,50,000**	-	**2,244.41**	-
	Investments measured at fair value through OCI (fully paid)					
	Unquoted equity shares					
1	Mexin Medicaments. Pvt Ltd	100	**11,990**	11,990	**112.32**	74.62
	Quoted equity shares					
1	Ipca Laboratories Ltd	2	**480**	1,01,480	**9.14**	1,412.86
	Investments measured at fair value through P&L (fully paid)					
	Quoted equity shares					
1	Vedanta Ltd	10	**-**	25,000	**-**	16.17
	Total				**2,365.87**	1,503.65

C. Aggregate value of investments

Particulars	**31-03-2021**	31-03-2020
		₹ in Lacs
Aggregate amount of quoted investments	**2,253.54**	1,429.03
Aggregate market value of quoted investments	**6,592.64**	1,429.03
Aggregate amount of unquoted investments	**112.32**	74.62

D. Disclosure Under Section 186(4) of the Companies Act 2013

Name of the Investee Company	**Purpose**	**31-03-2021**	31-03-2020
Resonance Specialties Ltd	Business Acquisition	**2,244.41**	-

i During the year the Company has acquired controlling stake in Resonance Specialties Limited along with persons acting in concert. The Investments are carried at cost in the standalone financial statements

ii The Company has sold 1,01,000 equity shares of Ipca Laboratories Limited held as Investment at Fair Value through OCI during the ended March 31, 2021. The aggregate of sale consideration net of acquisition cost and tax thereon of ₹ 1,840.74 lacs has been initially recognised under Other Comprehensive Income and subsequently reclassified under retained earning though Statement of Changes in Equity.

5 Financial Assets - Loans

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ In Lacs		₹ In Lacs	
	Non Current	**Current**	Non Current	Current
(Unsecured, considered good)				
Deposits	**61.11**	**-**	66.88	0.18
Loans given to Employees	**-**	**0.02**	0.02	0.54
Total	**61.11**	**0.02**	66.90	0.72

6 Financial Assets - Others

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ In Lacs		₹ In Lacs	
	Non Current	**Current**	Non Current	Current
(Unsecured, considered good)				
Gratuity reimbursements and other claims receivable	**-**	**3.32**	-	2.88
Interest Receivable	**-**	**0.65**	-	0.47
Term Deposits with banks kept as margin money	**1.20**	**-**	1.13	-
Contract Asset - Unbilled Revenue	**-**	**104.17**	-	43.24
Other Receivable*	**-**	**70.60**	-	62.88
Total	**1.20**	**178.74**	1.13	109.47
* Other Receivable from Resonance Specialities Ltd		**0.28**		-

7 Other Non-Financial Assets

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ In Lacs		₹ In Lacs	
	Non Current	**Current**	Non Current	Current
(Unsecured, considered good)				
Capital Advances	**0.81**	**-**	7.01	-
Prepaid Expenses	**1.38**	**10.29**	0.80	7.40
Balance with Tax Authorities	**1.60**	**269.38**	1.72	291.45
Advance to suppliers	**-**	**13.12**	-	41.69
Advances to Employees	**-**	**5.95**	-	6.06
Advances to Others	**1.40**	**0.45**	0.52	-
Prepaid Taxes (Net of provisions)	**86.97**	**-**	71.57	-
Total	**92.16**	**299.19**	81.62	346.60

8 **Inventories (Valued at Lower of Cost or Net Realisable Value)**

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ In Lacs		₹ In Lacs	
Raw Materials and components		**140.55**		150.03
Packing Materials and components		**39.38**		59.63
Work-in-progress		**17.97**		42.51
Finished goods:				
Manufactured	**161.08**		149.05	
Traded	**688.42**		655.93	
In transit	**0.57**	**850.07**	-	804.98
Consumable Stores and Spares		**40.76**		11.39
Total		**1,088.73**		1,068.54

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

Particulars	As at March 31, 2021	As at March 31, 2020
	₹ In Lacs	₹ In Lacs
Amount of inventories recognised as an expense	**2,307.76**	3,008.80
Amount of write - down of inventories recognised as an expense	**-**	-
Total	**2,307.76**	3,008.80

9 **Financial Assets - Trade Receivables (Unsecured, at amortised cost)**

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ In Lacs		₹ In Lacs	
	Non Current	**Current**	Non Current	Current
Trade Receivable*	**718.96**		757.11	
Less: Expected Credit Loss	**(0.22)**	**718.74**	(1.78)	755.33
Total		**718.74**		755.33

* Receivable from Related Party Refer Statement 1

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.

Since the Company Calculates impairment under the simplified approach the Company does not track the changes in credit risk of trade receivables the impairment amount represents lifetime expected credit loss. Hence the additional disclosures in trade receivables for changes in credit risk and credit impaired trade receivable are not disclosed.

Movement in the expected credit loss allowance

Particulars	As at March 31, 2021	As at March 31, 2020
	₹ In Lacs	₹ In Lacs
Balance at the beginning of the period	**1.78**	2.13
Adjustment during the year	**(1.56)**	(0.35)
Provision at the end of the period	**0.22**	1.78

10 Financial Assets - Cash & Cash Equivalents

Particulars	**As at March 31, 2021**	As at March 31, 2020
	₹ In Lacs	₹ In Lacs
Balances with banks	**24.95**	85.92
Cash on hand	**0.60**	0.74
Total	**25.55**	86.66

11 Financial Assets - Bank Balances other than (10) above

Particulars	**As at March 31, 2021**	As at March 31, 2020
	₹ In Lacs	₹ In Lacs
Unpaid dividend accounts	**8.86**	9.54
Total	**8.86**	9.54

Note: There are no amounts to be transferred to Investor Education and Protection Fund as on date

12 Equity Share Capital

Particulars	**As at March 31, 2021**		As at March 31, 2020	
	No. of Shares	**₹ In Lacs**	No. of Shares	₹ In Lacs
Face Value per share (₹)		**10**		10
Class of Shares				
Authorised Capital	**75,00,000**	**750.00**	75,00,000	750.00
Issued, Subscribed and Paid up Capital				
Issued & Subscribed	**49,16,980**	**491.70**	49,16,980	491.70
Paid up	**49,16,980**	**491.70**	49,16,980	491.70
Total		**491.70**		491.70

Disclosures:

i) Reconciliation of Shares

Particulars	**As at March 31, 2021**		As at March 31, 2020	
	Numbers	**₹ in Lacs**	Numbers	₹ in Lacs
Shares outstanding at the beginning of the year	**49,16,980**	**491.70**	49,16,980	491.70
Shares Issued during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**49,16,980**	**491.70**	49,16,980	491.70

ii) Details of Shareholding in excess of 5%

Name of Shareholder	**As at March 31, 2021**		As at March 31, 2020	
	Number of shares held	**%**	Number of shares held	%
Kaygee Laboratories Private Limited	**6,50,000**	**13.22%**	6,50,000	13.22%
Kaygee Investments Private Limited	**8,54,400**	**17.38%**	8,54,400	17.38%
Paschim Chemicals Private Limited	**7,66,672**	**15.59%**	7,66,672	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 Rs.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.

13 Other Equity

Particulars	**As at March 31, 2021**	As at March 31, 2020
	₹ In Lacs	₹ In Lacs
Capital Reserve	**302.76**	302.76
Securities Premium	**108.64**	108.64
General Reserve	**1,200.00**	1,200.00
Retained Earnings	**2,866.17**	1,192.19
Other Comprehensive Reserve		
- Remeasurement of Investment through FVOCI	**(7.17)**	1,166.64
Total	**4,470.40**	3,970.23

a) **Security Premium Reserve:**

Securities premium account comprises of premium on issue of shares. The reserveis 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.

14 Financial Liabilities - Borrowings

Particulars	**As at March 31, 2021**		As at March 31, 2020	
	₹ In Lacs		₹ In Lacs	
	Non Current	**Current**	Non Current	Current
Term Loan - Yes bank	**552.84**	**245.28**	598.12	217.50
Less : Reclassified to Current Maturities	**-**	**(245.28)**	-	(217.50)
Total	**552.84**	**-**	598.12	-
Secured Borrowing	**552.84**	**245.28**	598.12	217.50
Unsecured Borrowing	**-**	**-**	-	-

a) **Details of Term Loan**

₹ In Lacs

Name of the Instruments/ Institutions	**As at March 31, 2021**		As at March 31, 2020	
	Non Current	**Current**	Non Current	Current
Term Loan From Yes Bank	**552.84**	**245.28**	598.12	217.50
	552.84	**245.28**	598.12	217.50

i) The term loan is for a period of 60 months. The term loans is repayable in 16 quarterly instalments beginning from February 29, 2020.

ii) The New term loan taken during the year is for a period of 48 months. The term loans is repayable in 36 Monthly instalments beginning from November 10, 2021

b) **Details of securities and repayment terms of secured loans stated above**

i) Secured by way of exclusive charge on plant and machinery located at new opthalmic products manufacturing facility at Naroda, Ahmedabad. Equitable mortgage on the plot no. 30/4, Phase III GIDC, Naroda, Ahmedabad.

ii) The new term loan - Secured by way of 100% Credit Guarantee by National Credit Guarantee Trust Companies Limited (NCGTC) and Extension of Charge on present & Current Assets of the Company and Fixed assets charged for YBL Term Loan taken earlier.

c) **Maturity Profile of Borrowings is as per the original sanction terms.**

Particulars	**31/03/2021**	31/03/2020
Instalment payable between 0 to 1 years	**245.28**	217.50
Instalment payable between 1 to 2 years	**513.96**	435.00
Instalment payable between 2 to 5 years	**38.89**	163.12
Instalment payable beyond 5 years	**-**	-
Total	**798.13**	815.62

d) **Changes in liabilities arising out of financing activities**

Particulars	As at March 31, 2020		
	Non-Current Borrowings	Current Maturities	Current Borrowings
Opening Balances	597.04	39.80	1.59
Changes from Financing Cash Flows	218.58	(39.80)	251.43
Effect of changes in foreign currency	-	-	-
Transfer to Current Maturities	(217.50)	217.50	
Closing Balances	598.12	217.50	253.02

Particulars	**As at March 31, 2021**		
	Non-Current Borrowings	**Current Maturities**	**Current Borrowings**
Opening Balances	**598.12**	**217.50**	**253.02**
Changes from Financing Cash Flows	**200.00**	**(217.50)**	**318.40**
Effect of changes in foreign currency	**-**	**-**	**-**
Transfer to Current Maturities	**(245.28)**	**245.28**	**-**
Closing Balances	**552.84**	**245.28**	**571.42**

15 Other Financial Liabilities

Particulars	**As at March 31, 2021**		As at March 31, 2020	
	₹ In Lacs		₹ In Lacs	
	Non Current	**Current**	Non Current	Current
Current Maturities of long term borrowings	**-**	**245.28**	-	217.50
Security Deposits from				
Dealers	**-**	**388.21**	-	413.74
Others	**-**	**3.92**	-	3.55
Related Party	**-**	**1.01**	-	-
Unpaid dividends	**-**	**8.86**	-	9.54
Payable for Capital Goods	**-**	**4.69**	-	27.24
Interest accrued	**-**	**11.64**	-	9.77
Payable to Employees		**42.66**		37.72
Total	**-**	**706.27**	-	719.06

16 Provisions

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ In Lacs		₹ In Lacs	
	Non Current	Current	Non Current	Current
Provision for breakage/damage	-	**0.02**	-	0.01
Provision for product expiry	-	**19.77**	-	0.01
Provision for sales return	-	**73.02**	-	91.39
Provision for trade discount	-	-	-	0.29
Provision for Gratuity	-	**38.51**	-	32.87
Provision for leave encashment	**21.96**	**8.27**	19.01	11.21
Provision for leave travel assistance (LTA)	-	**6.96**	-	10.06
Provision for Tax (Net of prepaid)	-	**23.08**	-	23.46
Total	**21.96**	**169.63**	19.01	169.30

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

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Provision for breakage/damage		
Balance at the beginning of the period	**0.01**	0.01
Provisions/ Reversal during the year.	**0.01**	0.00
Utilisations during the period	-	-
Provision at the end of the period	**0.02**	0.01
(ii) Provision for product expiry		
Balance at the beginning of the period	**0.01**	0.01
Provisions/ Reversal during the year.	**19.76**	-
Utilisations during the period	-	
Provision at the end of the period	**19.77**	0.01
(iii) Provision for sales return		
Balance at the beginning of the period	**91.39**	72.11
Provisions/ Reversal during the year.	**(18.37)**	19.28
Utilisations during the period	-	
Provision at the end of the period	**73.02**	91.39

(iv) 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.

₹ in Lacs

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Expense recognised in Statement of Profit & Loss		
Current Service cost	**6.40**	5.86
Interest expense	**4.45**	4.92
Expected Return on Plan Assets	**(3.20)**	(4.23)
Benefit paid but pending claim	**-**	-
Past Service cost	**-**	-
Total	**7.65**	6.55
Expense recognised in Other Comprehensive Income		
Return on plan assets (Greater)/Less than Discount Rate	**1.57**	0.28
Actuarial (Gain)/Loss due to Experience on DBO	**(6.67)**	(8.85)
Total	**(5.10)**	(8.57)
Present value of funded defined benefit obligation	**98.60**	87.13
Fair value of Plan assets	**(60.10)**	(54.26)
Funded Status	**38.51**	32.87
Net defined benefit (Asset) / Liability	**38.51**	32.87
Movements in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	**87.12**	84.02
Current Service Cost	**6.40**	5.86
Interest Cost	**4.45**	4.92
Actuarial (Gain)/Loss	**6.67**	8.85
Benefits paid	**(6.05)**	(16.53)
Past Service Cost	**-**	-
Present value of defined benefit obligation at the end of the year	**98.60**	87.12
Movements in fair value of the plan assets are as follows.		
Opening fair value of plan assets	**54.27**	61.75
Adjustment to opening fair value		-
Expected returns on Plan Assets	**3.20**	4.23
Remeasurement (Gains)/Losses:		-
Actuarial (Gain)/Loss on Plan assets	**1.57**	0.28
Contribution from Employer	**7.11**	4.54
Benefits paid	**-**	-
Fund Charges	**-**	-
Benefit paid but pending claim	**(6.05)**	(16.53)
Closing fair value of the plan asset	**60.10**	54.27
Remeasurement effect recognised on Other Comprehensive Income		
Actuarial (Gain)/Loss arising from experience adjustments	**6.67**	8.86
Actuarial (Gain)/Loss on Plan assets	**(1.57)**	(0.28)
Total Actuarial (Gain)/Loss included in OCI	**5.10**	8.58

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

(v) Financial Assumptions

Discount Rate	**5.52%**	5.89%
Salary Increase Rate	**6.00%**	6.00%

(vi) Demographic Assumptions

Mortality Rate	**IALM (2012-14) Ultimate**	IALM (2012-14) Ultimate
Withdrawal Rate	**25%**	25%
Retirement age	**58 Years**	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.

(vii) Defined Benefit Obligation

Discount rate		
a. Discount rate - 50 basis points	**100.04**	88.36
b. Discount rate + 50 basis points	**97.32**	85.93
Salary increase rate		
a. Rate - 50 basis points	**97.32**	85.93
b. Rate + 50 basis points	**100.04**	88.36

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.

(viii) Risk Characteristics of the Defined Benefit Plan

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

(i) **Investment Risk –** For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

(ii) Market Risk (Discount Rate) – Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

(iii) Longevity Risk : The impact of longevity risk will depend on whether the benefits are paid before retirement age or after . Typically for the benefits paid on or before the retirement age , the longevity risk is not very material.

(iv) Actuarial Risk

Salary Increase Assumption: Actual Salary increase that are higher than the assumed salary escalation , will result in increase to the Obligation at a rate that is higher than expected

Attrition / Withdrawal Assumption: If actual withdrawal rates are higher than assumed withdrawal rate assumption ,than the benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

17 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ in lacs		₹ in lacs	
(a) Deferred tax liabilities on account of				
PPE including ROU Assets and R & D Assets	**59.59**		130.16	
Fair Value Change of Investment through OCI	**(0.00)**	**59.59**	87.22	217.38
(b) Deferred tax asset on account of				
Fair Value Change of Investment through OCI	**(3.75)**		-	
Unabsorbed Tax Loss	**-**		(40.77)	
Leave Encashment	**(7.61)**		(7.60)	
Other tax disallowance	**(0.50)**	**(11.86)**	(1.26)	(49.63)
Net deferred tax liability		**47.73**		167.75

18 Other Non-financial Liabilities

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ In Lacs		₹ In Lacs	
	Non Current	**Current**	Non Current	Current
Advance from Customers	**-**	**1.09**	-	5.94
Duties & Taxes Payable	**-**	**13.04**	-	18.48
Other Payables	**-**	**6.05**	-	5.65
Total	**-**	**20.18**	-	30.07

19 Short Term Borrowings

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ In Lacs		₹ In Lacs	
Working Capital Loan from Yes bank	**-**	**321.42**	-	103.02
Intercorporate Deposit	**-**	**250.00**	-	150.00
Total	**-**	**571.42**	-	253.02
Secured Borrowing		**321.42**		103.02
Unsecured Borrowing		**250.00**		150.00

(a) Secured Borrowing - Exclusive charge on present and future current asset of the Company and Negative Lien on immovable fixed assets of the company for there registered office located at 54-D, Government Industrial Estate, Charkop, Kandivali (W), Mumbai, Maharashtra.

(b) Unsecured Borrowing - Intercorporate deposit is for short term, repayable before March 31, 2022. It carries Interest @ 8.00% (PY 9.50%)

20 Financial Liabilities - Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
	₹ in lacs	₹ in lacs
Trade Payables for goods and services:		
- Total outstanding dues of Micro and small enterprise	**105.25**	137.46
- Others	**519.24**	595.91
Total	**624.49**	733.37

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

Particulars	As at March 31, 2021	As at March 31, 2020
	₹ in lacs	₹ in lacs
Principal amount due	**105.25**	137.46
Interest due on above	**0.02**	0.64
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
- Principal amount paid beyond appointed day	**361.04**	167.00
- Interest paid thereon	**-**	-
Amount of interest due and payable for the period of delay	**2.75**	1.21
Amount of interest accrued and remaining unpaid as at year end	**4.62**	1.85
Amount of further interest remaining due and payable in the succeeding year	**-**	-

The company has compiled the above information based on written confirmations from suppliers and have been determined to the extent such parties have been identified on the basis of the information available with the company. This has been relied upon by the auditors.

21 Revenue from Operations

Particulars	As at March 31, 2021	As at March 31, 2020
	₹ in lacs	₹ in lacs
Sale of Products	**3,537.17**	4,303.57
Sale of services	**893.84**	831.33
Other operating revenues		
Sundry Creditors Balances written back	**8.32**	3.08
Miscellaneous income	**1.81**	1.68
Total	**4,441.14**	5,139.66

A Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

		2020-21	2019-20
(a)	**Disclosure relating to disaggregation of revenue in terms of Ind AS 115**	**2020-21**	2019-20
	Sale of Generic formulations	**3,537.17**	4,303.57
	Sale of Services	**893.84**	831.33

(b) There are Two parties which each individually account for more that 10% of sales of the company. Aggregate revenue from these two parties is ₹ 1,608.72 lac.

ii) Movement of Contract Balances

		2020-21	2019-20
a)	**Advance from Customers**	**2020-21**	2019-20
	Opening Balance	**5.94**	4.50
	Addition during the year	**1.09**	5.94
	Billed/Received during the Year	**(5.94)**	(4.50)
	Closing Balance	**1.09**	5.94

		2020-21	2019-20
b)	**Unbilled Revenue**	**2020-21**	2019-20
	Opening Balance	**43.24**	32.15
	Addition during the year	**104.17**	43.24
	Billed/Received during the Year	**(43.24)**	(32.15)
	Closing Balance	**104.17**	43.24

22 Other Income

Particulars	**2020-21**	2019-20
	₹ in Lacs	₹ in Lacs
Interest income	**4.64**	2.32
Interest income on financial asset on EIR basis	**0.54**	-
Dividend income - from investments	**0.04**	9.09
Profit on sale of property, plant & equipment	**0.26**	0.13
Rent Income	**17.26**	5.72
Profit on Sale of Non Current Investment	**17.10**	4.46
Reversal of provision for Expected Credit Loss	**1.56**	0.36
Miscellaneous Income	**-**	0.47
Total	**41.40**	22.55

23 Cost of Materials Consumed

Particulars	**2020-21**		2019-20	
	₹ in Lacs		₹ in Lacs	
Raw Materials Consumed				
Opening stock	**150.03**		188.29	
Add : Purchases (Net of discount)	**474.19**		626.61	
	624.22		814.90	
Less : Closing stock	**140.55**	**483.67**	150.03	664.87
Packing Materials Consumed				
Opening stock	**59.63**		47.97	
Add : Purchases (Net of discount)	**118.06**		129.12	
	177.69		177.09	
Less : Closing stock	**39.38**	**138.31**	59.63	117.46
Total		**621.98**		782.33

24 Purchases of Traded Goods

Particulars	2020-21	2019-20
	₹ in Lacs	₹ in Lacs
Formulations	**1,584.75**	1,953.51
Others	**60.07**	144.95
Total	**1,644.82**	2,098.46

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

Particulars	2020-21		2019-20	
	₹ in Lacs		₹ in Lacs	
Inventory Adjustments - WIP				
Stock at commencement	**42.51**		68.39	
Less: - Stock at closing	**17.97**	**24.54**	42.51	25.88
Inventory Adjustments - FG				
Stock at commencement	**149.05**		144.32	
Less : Stock at closing	**161.08**	**(12.03)**	149.05	(4.73)
Inventory Adjustments - FG In transit				
Stock at commencement	**-**		-	
Less : Stock at closing	**0.57**	**(0.57)**	-	-
Inventory Adjustments - Traded Goods				
Stock at commencement	**655.93**		704.92	
Less : Stock at closing	**688.42**	**(32.49)**	655.93	48.99
Total		**(20.55)**		70.14

26 Employee Benefits Expenses

Particulars	2020-21	2019-20
	₹ in Lacs	₹ in Lacs
Salaries , bonus , perquisites , etc.	**684.59**	704.43
Contribution to provident and other funds	**39.28**	37.08
Leave encashment	**13.59**	12.86
Leave travel assistance	**6.16**	6.45
Gratuity fund contributions	**7.66**	6.56
Staff welfare expenses	**11.58**	15.78
Recruitment & training	**0.16**	0.72
Total	**763.02**	783.88

27 Finance Cost

Particulars	2020-21	2019-20
	₹ in Lacs	₹ in Lacs
Interest on loan	**108.96**	24.16
Unwinding of Financial Liabilities	**24.85**	25.44
Interest on Dealer's Deposit	**22.16**	17.50
Interest in MSME Creditors	**2.77**	1.85
Interest Others	**0.00**	1.36
Interest on Income Tax	**0.16**	-
Total	**158.90**	70.31

28 **Depreciation & Amortisation**

Particulars	**2020-21**	2019-20
	₹ in Lacs	₹ in Lacs
Depreciation on tangible assets	**392.07**	173.13
Amortisation on intangible assets	**1.83**	0.61
Depreciation on Right of Use Assets	**25.68**	25.01
Total	**419.58**	198.75

29 **Other Expenses**

Particulars	**2020-21**	2019-20
	₹ in Lacs	₹ in Lacs
Commission & Distribution Charges	**187.48**	279.56
Outside manufacturing charges	**76.05**	109.29
Power and fuel	**296.76**	165.96
Consumption of stores and spares	**61.51**	57.87
Freight, forwarding and transportation	**62.57**	76.42
Field staff expenses	**57.11**	77.17
Repairs and maintenance	**51.90**	41.06
Water charges	**3.28**	3.45
Loss on sale of property, plant & equipment	**-**	5.02
Sales and marketing expenses	**31.73**	22.32
Brand Recall Expenses - Domestic Marketing	**4.58**	48.24
Product information catalogue	**0.81**	3.54
Laboratory expenses and analytical Charges	**55.39**	50.75
Expenditure on research & development	**17.00**	2.74
Rent	**25.41**	33.89
Rates and taxes	**32.56**	17.44
Travelling expenses	**6.75**	14.84
Professional charges	**32.33**	15.75
Printing and stationery	**12.11**	9.88
Books, subscription and software	**1.52**	3.12
GST expenses	**6.70**	9.28
Communication expenses	**11.94**	5.06
Insurance	**13.93**	10.78
Intellectual property right expenses	**3.52**	4.43
Remuneration to auditors	**8.50**	7.50
Bank charges	**1.13**	0.16
Loss on financial assets measured at FVTPL	**-**	29.94
Bad debts and other balance w/off	**0.96**	2.93
Security Charges	**24.73**	15.39
Foreign Exchange Loss	**0.65**	0.15
Donation	**2.66**	-
Miscellaneous expenses (none of which individually forms more than 1% of the operating revenue)	**10.63**	9.51
Total	**1,102.20**	1,133.44

Details of:	2020-21	2019-20
1 Repairs and Maintenance:	**₹ in Lacs**	₹ in Lacs
- Building	**6.16**	8.44
- Machinery	**44.86**	31.39
- Others	**0.88**	1.23
	51.90	41.06
2 Remuneration To Auditors:		
- Audit fees including Limited Review and Tax Audit	**7.90**	5.10
- Tax matters	**0.50**	2.40
- Other services and Out of pocket expenses	**0.10**	-
	8.50	7.50

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

Particulars	2020-21	2019-20
	₹ in Lacs	₹ in Lacs
Employee benefits expenses	**2.85**	2.30
Laboratory Expenses	**17.00**	2.73
Depreciation	**14.17**	12.79
Total	**34.02**	17.82

30 Tax Expense- Profit and Loss Account

Particulars	2020-21	2019-20
	₹ in Lacs	₹ in Lacs
Current Tax	**-**	3.82
Short / Excess Provision of earlier years	**(16.70)**	-
Deferred Tax	**(29.05)**	33.46
Total	**(45.75)**	37.28

31 Tax Expense- Other Comprehensive Income

Particulars	2020-21	2019-20
	₹ in Lacs	₹ in Lacs
Current Tax	**144.84**	(1.34)
Deferred Tax	**(90.97)**	46.42
Total	**53.87**	45.08

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

	2020-21	2019-20
Profit/ (Loss) before Income taxes	**(207.41)**	24.90
Enacted tax rates in India (%)	**25.17%**	26.00%
Computed expected tax expenses	**(52.20)**	6.47
Effect of deductible expenses	**(111.49)**	(79.53)
Effect of non- deductible expenses	**126.19**	20.02
Additional deduction on Research and Development Expenses	**-**	(6.75)
Income tax expenses - Net..............A	**(37.50)**	(59.79)

Tax liability as per Minimum alternate tax as per Book Profit	**2020-21**	2019-20
Minimum alternate tax rate	-	15.60%
Computed expected tax expenses	-	3.88
Add: Adjustment	-	(0.06)
Mat Liability..........................B	-	3.82
Higher of A, B or C	**144.83**	3.82
Tax on OCI		
Actuarial changes	**(5.10)**	(8.58)
Capital Gain	**1,985.58**	-
Enacted tax rates in India (%) (11.44 / 15.60)	**11.44%**	15.60%
Computed expected tax expenses	**227.15**	(1.34)
Exemption under tax laws	**(56.59)**	-
Set off of losses and other deductions	**(26.05)**	-
Others	**0.32**	-
Income tax expenses - Net.............C	**144.83**	(1.34)

(ii) 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:

₹ in lacs

Particulars	**Opening**	**Recognized in P & L**	**Recognized in OCI**	**Closing**
PPE including ROU Assets and R & D Assets	55.43	74.73	-	130.16
Compensated Absences	(7.80)	0.20	-	(7.60)
Other tax disallowance	(0.56)	(0.70)	-	(1.26)
Unabsorbed Tax Loss		(40.77)		(40.77)
Fair Value Changes of Investment held through OCI	40.80	-	46.42	87.22
As at March 31, 2020	87.87	33.46	46.42	167.75
PPE including ROU Assets and R & D Assets	130.16	(70.57)	-	59.59
Compensated Absences	(7.60)	(0.01)	-	(7.61)
Other tax disallowance	(1.26)	0.76	-	(0.50)
Unabsorbed Tax Loss	(40.77)	40.77		-
Fair Value Changes of Investment held through OCI	87.22	-	(90.97)	(3.75)
As at March 31, 2021	**167.75**	**(29.05)**	**(90.97)**	**47.73**

32 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.

Particulars		**2020-21**		2019-20
Profit/ (Loss) after tax		**(161.66)**		(12.38)
Closing equity shares outstanding (Nos.)	**49,16,980**		49,16,980	
Opening equity shares outstanding (Nos.)	**49,16,980**		49,16,980	
Add:- issued during the year (Nos.)	**-**		-	
Closing equity shares outstanding (Nos.)		**49,16,980**		49,16,980
Weighted avg no. of shares outstanding (Nos.) (Basic)		**49,16,980**		49,16,980
Weighted avg no. of shares outstanding (Nos.) (Diluted)		**49,16,980**		49,16,980
Nominal value of equity share (₹)		**10.00**		10.00
Basic EPS (i/iii) (₹)		**(3.29)**		(0.25)
Diluted EPS (i/iv) (₹)		**(3.29)**		(0.25)

33 Disclosure in accordance with Ind AS – 116 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.

i) The following is the carrying value of lease liability:

Particulars	**31/03/2021**	31/03/2020
Opening Liability	**235.86**	
Additions during the year	**-**	250.90
Finance cost accrued during the year	**24.39**	25.29
Deletions	**-**	-
Payment of lease liabilities	**(31.20)**	(40.33)
Balance	**229.05**	235.86

Breakup:	**31/03/2021**	31/03/2020
Current portion of Lease liability	**9.04**	6.81
Non Current portion of Lease liability	**220.01**	229.05
	229.05	235.86

ii) Amounts recognised in the statement of cash flows

Particulars	**31/03/2021**	31/03/2020
Total cash outflow for leases	**31.20**	40.33

iii) The details of the contractual maturities of lease liabilities:

Particulars	**31/03/2021**	31/03/2020
Less than one year	**31.85**	31.20
One to five years	**208.26**	203.77
More than five years	**126.12**	146.86
Total	**366.23**	381.83

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

34 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.

There are two parties which each individually account for more that 10% of sales of the company. Aggregate revenue of these two parties is ₹ 1,608.72 lac.

35 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

A) List of related parties

Relationships

(i) Entities having significant influence

Shareholders of Makers Laboratories Ltd

Kaygee Investments Pvt.Ltd.

(Promoter holding together with its subsidiary more than 20%)

(ii) Entities where Control Exists

Resonance Specialties Limited	w.e.f December 11, 2020

(iii) Key Management Personnel

Mr. Saahil Parikh	Wholetime Director
Ms. Dipti Shah	Independent Director
Mr. R K P Verma	Independent Director
Mr. P M Kathariya	Independent Director (Upto 29th September 2020)
Mr. Nilesh Jain	Wholetime Director
Mr. Prashant Godha	Additional Director (w.e.f November 4, 2020)
Mr. Vishal Jain	Additional Director (w.e.f November 4, 2020)

(iv) Entities in which promoters have significant influence

Ipca Laboratories Ltd.

(v) other Related parties

Relative of Key Management Personnel

Mr. Umesh Parikh

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

36 CSR Expenditure:

Gross amount required to be spent by the Company during the year Nil (previous year Nil).

37 Contingent liabilities and Commitments

A) Contingent Liabilities

Particulars	**As at March 31, 2021**	As at March 31, 2020
	₹ in Lacs	₹ in Lacs
Counter Guarantees given to Banks in respect of guarantees given by the bank on behalf of the Company to Government Authorities	**1.20**	1.13
Other moneys for which the Company is contingently liable for tax and other matters not accepted by the Company	**132.16**	143.42
Total	**133.36**	144.55

* The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019 has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are universally, necessarily and ordinarily paid to all the employees in the establishment across the board. There are numerous interpretative issues relating to the judgement. As such, the Company has, based on legal advice and as a matter of caution, made provision for an estimated amount on a prospective basis without considering any probable obligations for past periods. The Company will continue to monitor and evaluate its position and act, as clarity emerges.

B) Commitments

Particulars	**As at March 31, 2021**	As at March 31, 2020
	₹ in Lacs	₹ in Lacs
(a) Estimated amount of contracts remaining to be executed on capital account. (Net of Capital Advances)		-
- Tangible Assets	**11.55**	-
(b) Outstanding Letter of Credit	**-**	25.16
	11.55	25.16

38 Financial Instruments

The carrying value and fair value of financial instruments by categories is as follows:

Particulars	**Carrying Value**		**Fair Value**	
	31/03/2021	31/03/2020	**31/03/2021**	31/03/2020
Financial assets				
Amortised Cost				
Loans	**61.13**	67.62	**61.13**	67.62
Others	**179.94**	110.60	**179.94**	110.60
Trade receivables	**718.74**	755.33	**718.74**	755.33
Cash and cash equivalents	**34.41**	96.20	**34.41**	96.20
FVTPL				
Equity Instruments	**-**	16.17	**-**	16.17
FVTOCI				
Equity Instruments	**121.46**	1,487.48	**121.46**	1,487.48
Total Financial Assets	**1,115.68**	2,533.40	**1,115.68**	2,533.40
Financial liabilities				
Amortised Cost				
Borrowings	**1,124.27**	851.14	**1,124.27**	851.14
Trade payables	**624.49**	733.37	**624.49**	733.37
Others	**706.27**	719.06	**706.27**	719.06
Lease Liability	**229.05**	235.86	**229.05**	235.86
Total Financial Liabilities	**2,684.07**	2,539.43	**2,684.07**	2,539.43

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.

39 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).

₹ in Lacs

		Fair Value measurement using			
Particulars	**Date of Valuation**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobserv-able inputs (Level 3)**	**Total**
Financial assets measured at fair value through P&L					
Listed Equity Investments	31/03/2021	-	-		-
		-	-	-	-
Financial assets measured at fair value through OCI					
Listed Equity Investments	31/03/2021	9.14	-		9.14
Unlisted Equity Investments	31/03/2021	-		112.32	112.32
		9.14	**-**	**112.32**	**121.46**
Financial assets measured at Amortised Cost					
Listed Equity Investments	31/03/2021	2,244.41	-	-	2,244.41
Loans	31/03/2021	-	-	61.13	61.13
Others	31/03/2021	-	-	179.94	179.94
Trade receivables	31/03/2021	-	-	718.74	718.74
Cash and cash equivalents	31/03/2021	-	-	34.41	34.41
		2,244.41	-	**994.22**	**3,238.63**
Total Financial Assets		**2,253.55**	-	**1,106.54**	**3,360.09**
Financial Liabilities measured at Amortised Cost					
Borrowings	31/03/2021	-	-	1,124.27	1,124.27
Lease Liability	31/03/2021	-	-	624.49	624.49
Trade Payable	31/03/2021	-	-	706.27	706.27
Other Financial Liability	31/03/2021	-	-	229.05	229.05
		-	-	**2,684.07**	**2,684.07**
Total Financial Liability		-	-	**2,684.07**	**2,684.07**
Financial assets measured at fair value through P&L					
Listed Equity Investments	31/03/2020	16.17	-		16.17
		16.17	-	-	16.17
Financial assets measured at fair value through OCI					
Listed Equity Investments	31/03/2020	1,412.86	-		1,412.86
Unlisted Equity Investments	31/03/2020	-	-	74.62	74.62
		1,412.86	-	74.62	1,487.48

Financial assets measured at Amortised Cost					
Listed Equity Investments	31/03/2020	-	-	-	-
Loans	31/03/2020	-	-	67.62	67.62
Others	31/03/2020	-	-	110.60	110.60
Trade receivables	31/03/2020	-	-	755.33	755.33
Cash and cash equivalents	31/03/2020	-	-	96.20	96.20
		-	-	1,029.75	1,029.75
Total Financial Assets		1,429.03	-	1,104.37	2,533.40
Financial Liabilities measured at Amortised Cost					
Borrowings	31/03/2020	-	-	851.14	851.14
Lease Liability	31/03/2020	-	-	733.37	733.37
Trade Payable	31/03/2020	-	-	719.06	719.06
Other Financial Liability	31/03/2020	-	-	235.86	235.86
		-	-	2,539.43	2,539.43
Total Financial Liability		-	-	2,539.43	2,539.43

40 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 2020-21 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.

41 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 , lease and other payables less cash and cash equivalents.

Particulars	As at 31/03/2021	As at 31/03/2020
		₹ in Lacs
Borrowings	**1,124.27**	851.14
Current Maturity	**245.28**	217.50
Less: Cash and Cash Equivalents	**(25.55)**	(86.66)
Net debt	**1,343.99**	981.98
Total Equity Capital and net debt	**4,962.10**	4,461.93
Gearing Ratio	**27.09%**	22.01%

No changes were made in the objectives, policies or processes for managing the capital during the years ended March 31, 2021 and March 31, 2020.

42 The spread of Covid-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lock down, disruption in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. Based on detailed assessment of the impact of COVID-19 on the operations of the Company and ongoing discussions with vendors and service providers, the Management is confident of obtaining regular supply of raw materials and logistics services. Management believes that it has taken into account all the possible impact of known events arising from Covid-19 pandemic in the preparation of financial statements. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

43 Figures for the previous year have been regrouped / reclassified / reinstated, wherever considered necessary.

44 The company has opted for reduced tax rate as per section 115BAA of the Income Tax Act, 1961. Accordingly, the company has recognised Provision for Income Tax for the year and re-measured its Deferred tax liability basis the rate prescribed in the said section.

45 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 31,2021

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 June 10, 2021

For and on behalf of the Board of Directors

Saahil Parikh	**Nilesh Jain**	**Prashant Godha**
(DIN 00400079)	(DIN 05263110)	(DIN 00012759)
Wholetime Director	Wholetime Director	Additional Director
	Khyati Danani	**Sandeep Kadam**
	(ACS 21844)	CFO
June 10, 2021	Company Secretary	

Statement 1 (refer Note No. 35)

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

Rs in Lacs

Description	Entities where control Exists Subsidiaries		Key Management Personnel		Entities in which promoters have significant influence		Other Related Parties		Total	
	Mar 21	Mar 20	Mar 21	Mar 20	Mar 21	Mar 20	Mar 21	Mar 20	Mar 21	Mar 20
Purchase of goods and services										
Ipca Laboratories Ltd	-	-	-	-	131.03	139.53	-	-	131.03	139.53
TOTAL	-	-	-	-	131.03	139.53	-	-	131.03	139.53
Sales of goods and services										
Ipca Laboratories Ltd	-	-	-	-	1,011.10	923.50	-	-	1,011.10	923.50
TOTAL	-	-	-	-	1,011.10	923.50	-	-	1,011.10	923.50
Other expenses reimbursements										
Ipca Laboratories Ltd	-	-	-	-	-	0.01	-	-	-	0.01
TOTAL	-	-	-	-	-	0.01	-	-	-	0.01
Rent income Received										
Resonance Specialties Ltd	0.92	-	-	-	-	-	-	-	0.92	-
TOTAL	0.92	-	-	-	-	-	-	-	0.92	-
Reimbursement of Expenses paid on behalf of										
Resonance Specialties Ltd	1.18	-	-	-	-	-	-	-	1.18	-
TOTAL	1.18	-	-	-	-	-	-	-	1.18	-
Sale of quoted Shares thru block deal mechanism of SE										
Kaygee Investments Pvt.Ltd.	-	-	-	-	2,086.81	-	-	-	2,086.81	-
TOTAL	-	-	-	-	2,086.81	-	-	-	2,086.81	-
Dividend Income :										
Ipca Laboratories Ltd	-	-	-	-	0.04	8.12	-	-	0.04	8.12
TOTAL	-	-	-	-	0.04	8.12	-	-	0.04	8.12
Other expenses paid:										
Ipca Laboratories Ltd	-	-	-	-	0.85	11.21	-	-	0.85	11.21
TOTAL	-	-	-	-	0.85	11.21	-	-	0.85	11.21
Remuneration to Directors										
Mr. Saahil Parikh	-	-	46.71	42.63	-	-	-	-	46.71	42.63
Mr. Nilesh Jain	-	-	26.10	23.30	-	-	-	-	26.10	23.30
TOTAL	-	-	72.81	65.93	-	-	-	-	72.81	65.93
Provident Fund										
Mr. Saahil Parikh	-	-	3.53	3.18	-	-	-	-	3.53	3.18
Mr. Nilesh Jain	-	-	2.06	1.75	-	-	-	-	2.06	1.75
TOTAL	-	-	5.59	4.93	-	-	-	-	5.59	4.93
Sitting Fee to Non-executive Directors										
Ms. Dipti Shah	-	-	1.90	1.45	-	-	-	-	1.90	1.45
Mr. R K P Verma	-	-	2.00	1.60	-	-	-	-	2.00	1.60
Mr. P M Kathariya	-	-	0.95	1.60	-	-	-	-	0.95	1.60
Mr. Prashant Godha	-	-	0.30	-	-	-	-	-	0.30	-
Mr. Vishal Jain	-	-	0.60	-	-	-	-	-	0.60	-
TOTAL	-	-	5.75	4.65	-	-	-	-	5.75	4.65
Salaries Paid										
Umesh Parikh	-	-	-	-	-	-	16.65	23.68	16.65	23.68
TOTAL	-	-	-	-	-	-	16.65	23.68	16.65	23.68
Deposit received *										
Resonance Specialties Ltd	1.50	-	-	-	-	-	-	-	1.50	-
TOTAL	1.50	-	-	-	-	-	-	-	1.50	-
Closing Balances of Related Parties Balance at year end										
Receivables										
Ipca Laboratories Ltd	-	-	-	-	138.23	117.53	-	-	138.23	117.53
Resonance Specialties Ltd	0.28	-	-	-		-	-	-	0.28	-
TOTAL	0.28	-	-	-	138.23	117.53	-	-	138.51	117.53
Payables										
Ipca Laboratories Ltd	-	-	-	-	25.95	79.01	-	-	25.95	79.01
TOTAL	-	-	-	-	25.95	79.01	-	-	25.95	79.01

* Deposit shown above is actual amount of Deposit Received and not discounted

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Makers Laboratories Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Makers Laboratories Limited (hereinafter referred to as the "Holding Company") and its Subsidiary (The Holding Company and its Subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit and Other Comprehensive Income and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Holding Company's Annual Report excluding the Financial Statements and our Independent Auditors' Report.

Our opinion on the Consolidated Financial Statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the interim condensed Consolidated Financial Statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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

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

Report on Other Legal and Regulatory Requirements

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 of the aforesaid Consolidated Financial Statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement relevant books of account and other relevant records maintained for the purpose of preparation of the Consolidated Financial Statements.

d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Companies Act 2013..

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates– Refer Note 37 to the Consolidated Financial Statements.

   ii. The Group did not have any long-term contracts including derivative contracts for which there were material foreseeable losses.

   iii. There are no amounts which are required to be transferred to Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

Other Matters

We did not audit the financial statements of Resonance Specialties Limited, whose financial statements reflect total assets of Rs. 5,463.00 Lac as at March 31, 2021, total revenue of Rs. 7,187.30 lacs and net cash inflow amounting to Rs. 341.75 lac for the period ended on that date, as considered in the preparation of the consolidated Ind AS financial statements. The said financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No- 106971W

N Jayendran
Partner
M. No. – 40441
UDIN: 21040441AAAABM2117

Mumbai,
Dated: June 10, 2021

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Makers Laboratories Limited (hereinafter referred to as 'the Holding Company') and its subsidiary which is incorporated in India, as on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding 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 internal financial controls with reference to financial statements of the Holding Company and Subsidiary which is company incorporated in India, 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 with reference to Financial Statements 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 and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding 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 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 Holding Company and its subsidiary, which is company incorporated in India, have, 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, 2021, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to financial statements of subsidiary, which is company incorporated in India, are based on the corresponding report of the auditor of such companies incorporated in India.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No- 106971W

N Jayendran
Partner
M. No. – 40441
UDIN: 21040441AAAABM2117

Mumbai,
Dated: June 10, 2021

Consolidated Balance Sheet as at March 31, 2021

Particulars	Note	As at Mar 31, 2021 ₹ in lacs
ASSETS		
(1) Non-current Assets		
(a) Property, Plant & Equipment	3	6,899.62
(b) Capital Work-in-Progress	3C	16.16
(c) Right Of Use Asset	3B	206.34
(d) Other Intangible Assets	3A	33.08
(e) Financial Assets		
(i) Investments	4A	121.46
(ii) Loans	5	78.93
(iii) Others	6	53.33
(f) Other Non-current Assets	7	106.47
		7,515.39
(2) Current Assets		
(a) Inventories	8	2,746.68
(b) Financial Assets		
(i) Investments	4B	75.35
(ii) Trade receivables	9	1,660.80
(iii) Cash and Cash Equivalents	10	527.32
(iv) Bank Balances other than (iii) above	11	94.21
(v) Loans	5	0.02
(vi) Others	6	178.79
(c) Current Tax Assets (Net)		
(d) Other Current Assets	7	820.71
		6,103.88
TOTAL ASSETS		**13,619.27**
EQUITY & LIABILITIES		
EQUITY		
(a) Equity Share Capital	12	491.70
(b) Other Equity	13	4,921.17
Equity attributable to the shareholders of the Holding company		5,412.87
Non Controlling Interest		3,244.33
LIABILITIES		
(1) Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	14	552.84
(ii) Other Financial Liabilities	15	-
(iii) Lease Liability	33	197.20
(b) Provisions	16	38.12
(c) Deferred Tax Liabilities (Net)	17	838.77
(d) Other Non-current Liabilities	18	-
		1,626.93
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	19	632.30
(ii) Trade Payables	20	
- Due to Micro, Small and Medium enterprises		123.55
- Due to Others		1,347.97
(iii) Other Financial Liabilities	15	776.97
(iv) Lease Liability	33	31.85
(b) Other Current Liabilities	18	95.90
(c) Provisions	16	207.51
(d) Current Tax Liabilities (Net)		119.09
		3,335.14
TOTAL EQUITY AND LIABILITIES		**13,619.27**

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 and on behalf of the Board of Directors**		
For Natvarlal Vepari & Co.			
Chartered Accountants	**Saahil Parikh**	**Nilesh Jain**	**Prashant Godha**
Firm Registration No. 106971W	(DIN 00400079)	(DIN 05263110)	(DIN 00012759)
	Wholetime Director	Wholetime Director	Additional Director
N. Jayendran			
Partner		**Khyati Danani**	**Sandeep Kadam**
M.No. 40441		(ACS 21844)	CFO
Mumbai June 10, 2021	June 10, 2021	Company Secretary	

Statement of Consolidated Profit and Loss for the year ended March 31, 2021

	Particulars	Note	Apr-Mar 21 ₹ in lacs
I	**Revenue from Operations**	21	6,864.11
II	**Other Income**	22	95.62
III	**Total Income (I + II)**		**6,959.73**
IV	**Expenses:**		
	Cost of Materials Consumed	23	1,447.66
	Purchase of Stock in trade	24	1,644.82
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(176.48)
	Employee Benefit Expenses	26	870.54
	Finance Cost	27	175.10
	Depreciation & Amortisation	28	461.07
	Other Expenses	29	2,266.55
	Total Expenses (IV)		**6,689.26**
V	**Profit Before exceptional items and Tax (III-IV)**		270.47
VI	**Exceptional Items**		-
VII	**Profit Before Tax (V+VI)**		270.47
VIII	**Tax Expense**		
	1. Current Tax	30	136.75
	2. Short / (Excess) Provision of earlier years	30	22.78
	3. Deferred Tax Liability / (Asset)	30	(23.92)
IX	**Profit for the period (VII-VIII)**		**134.86**
X	**Other Comprehensive Income**		
	Items that will not be reclassified subsequently to profit or loss		
	(a) Actuarial gain and loss		(6.09)
	Tax Effect thereon	31	(0.50)
	(b) Fair Value change through Other Comprehensive Income		720.80
	Tax Effect thereon	31	(53.87)
	Other Comprehensive Income for the year, net of tax		**660.34**
	Total Comprehensive Income for the year		**795.20**
	Profit for the period attributable to :		
	Owners of the parent		(32.92)
	Non-controlling interest - profit / (loss)		167.78
			134.86
	Other Comprehensive Income for the period attributable to :		
	Owners of the parent		661.16
	Non-controlling interest - profit / (loss)		(0.82)
			660.34
	Total Comprehensive Income for the period attributable to :		
	Owners of the parent		628.24
	Non-controlling interest - profit / (loss)		166.96
			795.20
XI	**Earnings per Equity Share :**		
	Par Value ₹ 10 each		
	Basic (in Rs.)	32	2.74
	Diluted (in Rs.)	32	2.74

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 June 10, 2021

For and on behalf of the Board of Directors

Saahil Parikh
(DIN 00400079)
Wholetime Director

Nilesh Jain
(DIN 05263110)
Wholetime Director

Prashant Godha
(DIN 00012759)
Additional Director

June 10, 2021

Khyati Danani
(ACS 21844)
Company Secretary

Sandeep Kadam
CFO

1. Statement of Changes in Equity for the Year ended March 31, 2021

Equity Share Capital

	No. of shares	₹ in Lacs
Equity share capital of face value (Rs.) 10.00 each		
Balance as at March 31, 2020	49,16,980	491.70
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	**49,16,980**	**491.70**

Other Equity

Particulars	Other Equity								Equity Attributed to the Shareholders of the Compnay	Non Controlling Interest	Total
	Reserves and Surplus							Other Comprehensive income			
	Capital reserve	Securities premium	General Reserve	Revaluation Reserve	Capital Reserve on Bargain Purchase	Fair Valuation Reserve	Retained earnings	Fair Value of Investment through OCI			
Balance as on April 1, 2020	302.76	108.64	1,200.00		-	-	1,192.19	1,166.64	3,970.23	-	3,970.23
Arising on Business Combination	-	-	-	-	322.70	-	-	-	322.70	3,077.37	**3,400.08**
Profit / (Loss) for the year	-	-	-	-	-	-	(32.92)	-	(32.92)	167.78	**134.86**
Gain/ (Loss) on Fair Value of Investment through OCI (Net of tax thereon)	-	-	-	-	-	-	-	666.93	666.93	(0.82)	**666.11**
Transfer to Retained Earning on Sale of Investment Through OCI*	-	-	-	-	-	-	1,840.74	(1,840.74)	-	-	**-**
Actuarial gain/(loss) on gratuity (Net of tax thereon)	-	-	-	-	-	-	(5.77)		(5.77)	-	**(5.77)**
Balance as on March 31, 2021	**302.76**	**108.64**	**1,200.00**	**-**	**322.70**	**-**	**2,994.24**	**(7.17)**	**4,921.17**	**3,244.33**	**8,165.52**

Note:

* The Company has sold 1,01,000 equity shares of Ipca Laboratories Limited held as Investment at Fair Value through OCI during the year ended March 31, 2021. The aggregate of sale consideration net of acquisition cost and tax thereon ₹ 1,840.74 Lacs has been initially recognised under Other Comprehensive Income and subsequently reclassified under retained earning though Statement of Changes in Equity.

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 June 10, 2021

For and on behalf of the Board of Directors

Saahil Parikh
(DIN 00400079)
Wholetime Director

Nilesh Jain
(DIN 05263110)
Wholetime Director

Prashant Godha
(DIN 00012759)
Additional Director

Khyati Danani
(ACS 21844)
Company Secretary

Sandeep Kadam
CFO

June 10, 2021

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended March 31, 2021.

1. **Corporate Information:**

   Incorporated in the year 1984, Makers Laboratories Limited is an 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 Group for the year ended March 31, 2021, were authorised for issue in accordance with the resolution passed at the meeting of the Board of Directors held on June 10, 2021.

2. **Basis and Principles of Consolidation:**

   The Company acquired 52,50,000 Equity shares of ₹ 10 each of Resonance Specialties Limited (Resonance) on September 30, 2020, which represents 45.48% of voting rights. The open offer process under SEBI (SAST) Regulations was completed on December 10, 2020. The Company has de-facto control over Resonance in accordance with Ind AS 110 - Consolidated Financial Statements under the Companies (Indian Accounting Standards) Rules 2015. Accordingly, the Company has consolidated the results of Resonance from December 11, 2020, as a subsidiary.

   The consolidated financial statements relate to the Company, and its aforesaid Subsidiary (the holding and subsidiary together referred to as “The Group”). The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 “Consolidated Financial Statement” of the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Amendment) Rules, 2016 and other relevant provisions of the Act. The consolidated financial statements have been prepared on the following basis: -

   The consolidated financial statements of the Group are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded. The financial statements of the Subsidiary used in consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March. The difference between the cost to the Company of its investments in the subsidiary over the Company’s portion of equity computed on acquisition date based on fair value of assets and liabilities are recognized in the financial statement as Goodwill / Capital Reserve on consolidation.

   The Subsidiary included in the Consolidation and the Company’s holding therein is as follows:

   1. Resonance Specialties Limited, an entity in which there is de facto control and in which the Company’s interest is 45.48%.

      First time Preparation of Consolidated Financial Statements

      Since the acquisition of Resonance Specialties Limited has resulted in the company preparing consolidated financial statements for the first time, the comparative figures for the previous year ended March 31, 2020, in the Consolidated Balance Sheet as at March 31, 2021, in the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and in the Consolidated Statement of Changes in Equity for the year then ended were not prepared and accordingly are not presented. Further, in the absence of the previous period consolidated balance sheet, the Consolidated Statement of cash flow under the indirect method cannot be prepared and hence not presented.

3. **Significant Accounting Policies:**

i. **Basis of Preparation**

Statement of Compliance

The standalone financial statements comply in all material aspects with Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Companies Act, 2013 (“the Act”), the Companies (Indian Accounting Standards) Rules, 2015 asamended and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis, except for the following:

a. certain financial assets and liabilities (including derivative instruments) are measured at fair value; and

b. defined benefit plans - plan assets measured at fair value.

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

The standalone financial statements are presented in INR and all values are rounded to the nearest lacs, except otherwise stated.

ii. **Use of Judgments, Estimates and Assumption**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates, judgments 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 surroundingthe 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.

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. **Taxes**

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

b. **Defined benefit plans (Gratuity benefits)**

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These interalia 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.

c. Useful lives of Property, Plant and Equipment

The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

d. Impairment of Property, Plant and Equipment

For property, plant and equipment and intangibles, an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

e. Inventories

The Company estimates the net realizable value (NRV) of its inventories by considering estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

f. Recognition and measurement of other Provisions

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on experience and circumstances known at the closing date. The actual outflow of resources at a future date may, therefore, vary from the amount included in other provisions.

iii. Current and non-current classification

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.

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 at least 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.

iv. Property, Plant and Equipment

a) 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.

b) Stores and spares which meet the definition of Property, Plant and Equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as Property, Plant and Equipment.

c) Capital Work in Progress represents expenditure incurred on capital assets that are under construction or are pending capitalization and includes project expenses pending allocation. Project expenses pending allocation are apportioned to the Property, Plant and Equipment of the project proportionately on capitalization.

d) Cost of borrowing for assets taking substantial time to be ready for use is capitalized for the period up to the time the asset is ready for its intended use.

e) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

f) The residual useful life of Property, Plant & Equipment is reviewed at each balance sheet date and adjusted if required in the depreciation rates.

g) Depreciation methods, estimated useful lives and residual value.

Depreciation on all assets of the Company is charged on straight line method, except the assets at the Ahmedabad manufacturing location, which is charged on the written down value 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
Plant and Equipment	5 to 20 Years
Effluent Treatment Plant	15 Years
Vehicle	10 Years
Building	28 to 58 Years
Furniture and Fixtures	10 Years

The Subsidiary company charges depreciation on the property, plant and equipment on the written down value basis over the useful life of assets as specified in Schedule II to the Companies Act, 2013.

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

v. Intangible assets

The Company has elected to fair value its intangible assets on transition date. 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 several 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 management has estimated the economic useful life for the various intangible assets as follows:

Brands and Trademarks	4 Years
Software for internal use	4 Years

The Subsidiary company amortizes Intangible assets over their respective individual estimated useful lives on a written down value basis from the date they are available for use.

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

vi. Revenue recognition

a. The Company derives revenues primarily from sale of products and services. Revenue from sale of goods is recognized net of returns, product expiry claims and discounts.

Revenue is recognized on satisfaction of performance obligations upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

To recognize revenues, the Company applies the following five step approach:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenues when a performance obligation is satisfied.

Performance obligation may be satisfied over time or at a point in time. Performance obligations satisfied over time if any one of the following criteria is met. In such cases, revenue is recognized over time.

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

Where Revenue is recognized over time, the amount of revenue is determined on the basis of contract costs incurred in relation to estimated contract expenses.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue in respect of transactions thru parties acting as agents is recognized only on completion of the performance obligation of the agent with corresponding accrual of agency commissions.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

b. In case of export benefits which are in the nature of neutralisation of duties and taxes are grouped under material costs. All other export incentives are grouped under other operating revenue.

c. Revenue in respect of insurance/other claims, commission, etc. are recognized only when it is reasonably certain that the ultimate collection will be made.

d. 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).

vii. 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.

viii. Impairment of assets

Carrying amount of Tangible assets, Intangible assets, Investments in Subsidiaries, Joint Venture and Associates (which are carried at cost) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's assets (cash-generating units). Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

ix. Leases

The Group, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred.

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

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

x. Inventories

Items of inventories are valued at 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 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 (material cost net of refundable taxes, labour cost and all manufacturing overheads) and net realisable value.
Stores and Spares	Stores and spare parts are valued at lower of cost computed on First-in-First- out method and net realisable value.
Traded Goods	Traded Goods are valued at lower of cost and net realisable value.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory in determining net realisable value include ageing of inventory, estimated shelf life, price changes, introduction of competitive new products and such other related factors.

Cost in case of Raw material and Packing material, Stores and Spare and Traded Goods include purchase cost net of refundable taxes and other overheads incurred in bringing such items of inventory to its present location and condition.

xi. 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 in the balance sheet.

xii. Provisions, contingent liabilities and contingent assets

Provision

A Provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

xiii. Retirement and other employee 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 post-employment 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 recognized 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.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia, bonus and performance incentive are recognized in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

xiv. Foreign currencies

Transactions and balances:

i. The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

ii. Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction where the settlement of such transactions are taking place at a later date. The exchange gain/loss on settlement / negotiation during the year is recognized in the statement of profit and loss. In case of advance payment for purchase of assets/ goods/services and advance receipt against sales of products/services, all such purchase/sales transaction are recorded at the rate at which such advances are paid/received.

iii. Foreign currency monetary transactions remaining unsettled at the end of the year are converted at year-end rates. The resultant gain or loss is accounted for in the statement of profit and loss.

iv. Non-monetary items that are measured at historical cost denominated in foreign currency is translated using exchange rate at the date of transaction.

xv. Fair Value Measurement

The Company measures financial instruments, such as, derivatives 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.

xvi. Financial instruments

a. Financial assets & financial liabilities

Initial recognition and measurement

All financial assets and liabilities are recognized 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 marketplace (regular way trades) is recognized 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 incredit risk. Note 7 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 recognized from initial recognition of the receivables.

De-recognition of financial instruments

A financial asset is de-recognized 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 obligationto pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risksand rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

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

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

b. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments such as forward currency contracts, interest rate swaps to hedge itsforeign currency risks, interest rate risks, respectively.

Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract isentered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognized in the statement ofprofit and loss.

xvii. Cash flow statement

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

xviii. Goods and service tax input credit

Input tax credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

xix. Taxes

Tax expenses comprise Current Tax and Deferred Tax:

a. 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.

b. 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 recognized 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 recognized 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 recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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

c. MAT credit

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes 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 utilize the credit is recognized in the statement of profit and loss and corresponding debit is done to the deferred tax asset as unused tax credit.

xx. 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.

Notes to Consolidated financial statements as at and for the March 31, 2021

3. Property, Plant & Equipment

₹ in Lacs

Particulars	Freehold Land	Leasehold Land	Building	Plant & Equipment	Office & Other Equipment	Effluent Treatment Plant	Furniture & Fixtures	Vehicles	R & D - Plant & Equipment	Total
Gross Block										
As on 01/04/2020	210.23	-	1,434.89	1,760.06	14.35	11.98	68.41	28.55	91.81	3,620.28
Additions through Business combination		2,816.82	12.95	1,127.66	5.64	-	4.22	9.39	51.28	4,027.96
Additions	-	-	17.36	218.55	5.16	-	7.90	-	-	248.97
Disposals / Adjustments	-	-	-	(0.74)	-	-	-	-	-	(0.74)
As on 31/03/2021	**210.23**	**2,816.82**	**1,465.20**	**3,105.53**	**25.15**	**11.98**	**80.53**	**37.94**	**143.09**	**7,896.47**
Accumulated Depreciation										
As on 01/04/2020	-	-	145.25	332.35	5.32	1.62	29.14	13.66	37.09	564.43
For the year 2020-21	-	13.21	76.91	304.82	5.94	1.87	10.37	3.70	15.90	432.72
Disposals / Adjustments	-		-	(0.30)	-	-	-	-	-	(0.30)
As on 31/03/2021	**-**	**13.21**	**222.16**	**636.87**	**11.26**	**3.49**	**39.51**	**17.36**	**52.99**	**996.85**
Net Block as on 31/03/2021	**210.23**	**2,803.61**	**1,243.04**	**2,468.66**	**13.89**	**8.49**	**41.02**	**20.58**	**90.10**	**6,899.62**

3A. Other Intangible Assets

₹ in Lacs

Particulars	Computer Software	Brand / Trade Mark	Inhouse developed technology	Total
Gross Block				
As on 01/04/2020	12.02	0.13	-	12.15
Additions through Business combination	-	-	26.12	26.12
Additions	2.71	-	-	2.71
Disposals / Adjustments	-	-	-	-
As on 31/03/2021	**14.73**	**0.13**	**26.12**	**40.98**
Accumulated Amortisation				
As on 01/04/2020	5.10	0.13	-	5.23
For the year 2020-21	1.83	-	0.84	2.67
Disposals / Adjustments	-	-	-	-
As on 31/03/2021	6.93	0.13	0.84	7.90
Net Block as on 31/03/2021	**7.80**	**-**	**25.28**	**33.08**

3B. Right to Use Asset

Particulars	₹ in Lacs Land
Gross Block	
As on 01/04/2020	250.90
Additions	-
Disposals / Adjustments	6.13
As on 31/03/2021	**257.03**
Accumulated Amortisation	
As on 01/04/2020	25.01
For the year 2020-21	25.68
Disposals / Adjustments	-
As on 31/03/2021	**50.69**
Net Block as on 31/03/2021	**206.34**

3C. Capital Work In Progress

Particulars	Building	Plant and Equipment	Total
As on 01/04/2020	2.79	63.81	66.60
Additions through Business combination	3.35	59.65	63.00
Additions	14.44	101.41	115.85
Capitalization	17.95	211.34	229.29
As on 31/03/2021	**2.63**	**13.53**	**16.16**

4 Financial Assets - Investments

A Summary of Non Current Investments

	₹ in Lacs As at 31/03/2021
Investment in Equity Instruments measured at Fair value through OCI	121.46
Investment in Equity Instruments measured at Fair value through PL	-
Total	**121.46**

	Details of Non-current Investments	Face Value per Equity Instrument (₹)	Number Of Equity Instruments 31/03/2021	₹ in Lacs 31/03/2021
	Investments measured at fair value through OCI (fully paid)			
	Unquoted equity shares			
1	Mexin Medicaments Pvt Ltd	100	11,990	112.32
	Quoted equity shares			
2	Ipca Laboratories Ltd	2	480	9.14
	Total			**121.46**

Aggregate value of investments

Particulars	₹ in Lacs 31-03-2021
Aggregate amount of quoted investments	9.14
Aggregate market value of quoted investments	9.14
Aggregate amount of unquoted investments	112.32

4B Summary of Current Investments

	As at 31/03/2021
Investment measured at Fair value through PL	
Investment in Mutual Funds	
SBI Magnum Medium Duration Fund Growth Unit Purchase 28771.928 NAV 39.2730 (pur. value 10 lacs)	11.30
Baroda Large and Mid Cap Fund Unit Purchase 499965.02 NAV 12.8100 (Pur Value 50 Lacs)	64.05
Total	**75.35**

5 **Financial Assets - Loans**

Particulars	As at March 31, 2021 ₹ In Lacs Non Current	Current
(Unsecured, considered good)		
Deposits	78.93	-
Loans given to Employees	-	0.02
Total	**78.93**	**0.02**

6 **Financial Assets - Others**

Particulars	As at March 31, 2021 ₹ In Lacs Non Current	Current
(Unsecured, considered good)		
Gratuity reimbursements and other claims receivable	-	3.32
Interest Receivable	-	0.65
Term Deposits with banks kept as margin money	1.20	-
Contract Asset - Unbilled Revenue	-	104.17
Other Receivable	52.13	70.65
Total	**53.33**	**178.79**

7 **Other Non-Financial Assets**

Particulars	As at March 31, 2021 ₹ In Lacs Non Current	Current
(Unsecured, considered good)		
Capital Advances	0.81	-
Prepaid Expenses	1.38	15.28
Balance with Tax Authorities	1.60	769.15
Advance to suppliers	-	29.74
Advances to Employees	-	6.09
Advances to Others	1.40	0.45
Prepaid Taxes (Net of provisions)	101.28	-
Total	**106.47**	**820.71**

8 **Inventories (Valued at Lower of Cost or Net Realisable Value)**

Particulars	As at March 31, 2021 ₹ In Lacs	
Raw Materials and components		483.54
Packing Materials and components		45.40
Work-in-progress		374.02
Finished goods:		
Manufactured	1,063.62	
Traded	688.42	
In transit	0.57	1,752.61
Consumable Stores and Spares		91.11
Total		**2,746.68**

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

Particulars	As at March 31, 2021
Amount of inventories recognised as an expense	3,018.19
Amount of write - down of inventories recognised as an expense	-
Total	**3,018.19**

9 Financial Assets - Trade Receivables (Unsecured, at amortised cost)

Particulars	As at March 31, 2021	
	₹ In Lacs	
	Non Current	Current
Trade Receivable*	1,661.19	
Less: Expected Credit Loss	(0.39)	1,660.80
Total		**1,660.80**

* Receivable from Related Party Refer Statement 1

The Group 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.

Since the Group Calculates impairment under the simplified approach the Group does not track the changes in credit risk of trade receivables the impairment amount represents lifetime expected credit loss. Hence the additional disclosures in trade receivables for changes in credit risk and credit impaired trade receivable are not disclosed.

Movement in the expected credit loss allowance

Particulars	As at March 31, 2021
Balance at the beginning of the period	1.78
Addition on Business Combination	0.17
Adjustment during the year	(1.56)
Provision at the end of the period	**0.39**

10 Financial Assets - Cash and Cash Equivalents

Particulars	As at March 31, 2021
	₹ In Lacs
Balances with banks	76.22
Cash on hand	1.10
Fixed Deposits with original maturity of less than three months	450.00
Total	**527.32**

11 Financial Assets - Bank Balances other than (10) above

Particulars	As at March 31, 2021
	₹ In Lacs
Unpaid dividend accounts	26.46
Fixed deposit (Margin Money)*	67.75
Total	**94.21**

Note: There are no amounts to be transferred to Investor Education and Protection Fund as on date

*(Under Lien towards margin of Letter of Credits and Bank Guarantees)

12 Equity Share Capital

Particulars	As at March 31, 2021	
	No. of Shares	₹ In Lacs
Face Value per share (Rs.)		10
Class of Shares		
Authorised Capital	75,00,000	750.00
Issued, Subscribed and Paid up Capital		
Issued & Subscribed Share Capital	49,16,980	491.70
Paid up Share Capital	49,16,980	491.70
Total		**491.70**

Disclosures:

i) Reconciliation of Shares

Particulars	As at March 31, 2021	
	Numbers	₹ in Lacs
Shares outstanding at the beginning of the year	49,16,980	491.70
Shares Issued during the year	-	-
Shares outstanding at the end of the year	49,16,980	491.70

ii) Details of Shareholding in excess of 5%

Name of Shareholder	As at March 31, 2021	
	Number of shares held	%
Kaygee Laboratories Private Limited	6,50,000	13.22%
Kaygee Investments Private Limited	8,54,400	17.38%
Paschim Chemicals Private Limited	7,66,672	15.59%

iii) Rights and obligations of shareholders

The Group has only one class of share referred as Equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, 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.

13 Other Equity

Particulars	As at March 31, 2021
	₹ In Lacs
Capital Reserve	302.76
Capital Reserve on Bargain Purchase	322.70
Securities Premium	108.64
General Reserve	1,200.00
Retained Earnings	2,994.24
Other Comprehensive Reserve	
- Remeasurement of Investment through FVOCI	(7.17)
Total	**4,921.17**

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) **Captial Reserve on Bargain Purchase:**

Capital Reserve on Bargain Purchase represents the excess of the fair value of Assets less Liabilities over the purchase consideration in accordance with Ind AS 103

14 Financial Liabilities - Borrowings

Particulars	**As at March 31, 2021**	
	₹ In Lacs	
	Non Current	**Current**
Term Loan - Yes bank	552.84	245.28
Less : Reclassified to Current Maturities	-	(245.28)
Total	**552.84**	**-**
Secured Borrowing	552.84	245.28
Unsecured Borrowing	-	-

a) **Details of Term Loan**

Name of the Instruments/ Institutions	**As at March 31, 2021**	
	Non Current	**Current**
Term Loan From Yes Bank	552.84	245.28
	552.84	**245.28**

i) The term loan is for a period of 60 months. The term loan is repayable in 16 quarterly instalments beginning from February 29, 2020.

ii) The New term loan taken during the year is for a period of 48 months. The term loan is repayable in 36 monthly instalments beginning from November 10, 2021

b) **Details of securities and repayment terms of secured loans stated above**

i) Secured by way of exclusive charge on plant and machinery located at new opthalmic products manufacturing facility at Naroda, Ahmedabad. Equitable mortgage on the plot no. 30/4, Phase III GIDC, Naroda, Ahmedabad.

ii) The new term loan - Secured by way of 100% Credit Guarantee by National Credit Guarantee Trust Companies Limited (NCGTC) and Extension of Charge on present & Current Assets of the Holding Company and Fixed assets charged for YBL Term Loan taken earlier.

c) **Maturity Profile of Borrowings is as per the original sanction terms.**

Particulars	**31-03-2021**
Instalment payable between 0 to 1 years	245.28
Instalment payable between 1 to 2 years	513.95
Instalment payable between 2 to 5 years	38.89
Instalment payable beyond 5 years	-
Total	**798.12**

d) **Changes in liabilities arising out of financing activities**

Particulars	**As at March 31, 2021** Non-Current Borrowings	Current Maturities	Current Borrowings
Opening Balances	598.12	217.50	253.02
Changes from Financing Cash Flows	200.00	(217.50)	318.39
Effect of changes in foreign currency	-	-	-
Transfer to Current Maturities	(245.28)	245.28	-
Closing Balances	**552.84**	**245.28**	**571.41**

15 Other Financial Liabilities

Particulars	**As at March 31, 2021**	
	₹ In Lacs	
	Non Current	**Current**
Current Maturities of long term borrowings	-	245.28
Security Deposits from	-	-
Dealers	-	387.66
Others	-	3.92
Unpaid dividends	-	26.46
Payable for Capital Goods	-	4.69
Interest accrued	-	11.64
Payable to Employees		97.32
Total	**-**	**776.97**

16 Provisions

Particulars	**As at March 31, 2021**	
	₹ In Lacs	
	Non Current	**Current**
Provision for breakage/damage	-	0.02
Provision for product expiry	-	19.77
Provision for sales return	-	73.02
Provision for trade discount	-	-
Provision for Gratuity	16.16	43.38
Provision for leave encashment	21.96	8.27
Provision for leave travel assistance (LTA)	-	6.96
Provision for Tax (Net of prepaid)	-	56.09
Total	**38.12**	**207.51**

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

Particulars	**As at March 31, 2021**
(i) Provision for breakage/damage	
Balance at the beginning of the period	0.01
Provisions/ Reversal during the year.	0.01
Utilisations during the period	-
Provision at the end of the period	**0.02**

(ii) Provision for product expiry

Balance at the beginning of the period	0.01
Provisions/ Reversal during the year.	19.76
Utilisations during the period	-
Provision at the end of the period	**19.77**

(iii) Provision for sales return

Balance at the beginning of the period	91.39
Provisions/ Reversal during the year.	(18.37)
Utilisations during the period	-
Provision at the end of the period	**73.02**

(iv) Disclosure in accordance with Ind AS – 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules,2015.

Gratuity

The Group 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 of Parent Company is a funded plan and the parent makes contributions to recognised funds in India. The Group 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 Gratuity plan of the subsidiary is unfunded.

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.

Particulars	As at March 31, 2021 ₹ In Lacs
Expense recognised in Statement of Profit & Loss	
Current Service cost	11.30
Interest expense	6.38
Expected Return on Plan Assets	(3.20)
Benefit paid but pending claim	-
Past Service cost	-
Total	**14.48**
Expense recognised in Other Comprehensive Income	
Return on plan assets (Greater)/Less than Discount Rate	1.57
Actuarial (Gain)/Loss due to Experience on DBO	(7.66)
Total	**(6.09)**
Present value of funded defined benefit obligation	119.64
Fair value of Plan assets	(60.10)
Funded Status	**59.54**
Net defined benefit (Asset) / Liability	**59.54**
Movements in present value of defined benefit obligation	
Present value of defined benefit obligation at the beginning of the year	87.12
Liability raised due to acquition through business combination	44.01
Current Service Cost	11.30
Interest Cost	6.38
Actuarial (Gain)/Loss	7.66
Benefits paid	(36.83)
Past Service Cost	-
Present value of defined benefit obligation at the end of the year	**119.64**

Movements in fair value of the plan assets are as follows.

Opening fair value of plan assets	54.27
Adjustment to opening fair value	-
Expected returns on Plan Assets	3.20
Remeasurement (Gains)/Losses:	-
Actuarial (Gain)/Loss on Plan assets	1.57
Contribution from Employer	7.11
Benefits paid	-
Fund Charges	-
Benefit paid but pending claim	(6.05)
Closing fair value of the plan asset	**60.10**

Remeasurement effect recognised on Other Comprehensive Income

Actuarial (Gain)/Loss arising from experience adjustments	7.66
Actuarial (Gain)/Loss on Plan assets	(1.57)
Total Actuarial (Gain)/Loss included in OCI	**6.09**

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

(v) Financial Assumptions

Discount Rate	5.52%
Salary Increase Rate	**6.00%**

(vi) Demographic Assumptions

Mortality Rate	IALM (2012-14) Ultimate
Withdrawal Rate	25%
Retirement age	**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.

(vii) Defined Benefit Obligation

Discount rate	
a. Discount rate - 50 to 100 basis points	121.82
b. Discount rate + 50 to 100 basis points	117.65
Salary increase rate	
a. Rate - 50 to 100 basis points	117.65
b. Rate + 50 to 100 basis points	121.81

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.

(viii) Risk Characteristics of the Defined Benefit Plan

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

(i) Investment Risk – For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

(ii) Market Risk (Discount Rate) – Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

(iii) Longevity Risk : The impact of longevity risk will depend on whether the benefits are paid before retirement age or after . Typically for the benefits paid on or before the retirement age , the longevity risk is not very material.

(iv) Actuarial Risk

Salary Increase Assumption: Actual Salary increase that are higher than the assumed salary escalation , will result in increase to the Obligation at a rate that is higher than expected

Attrition / Withdrawal Assumption: If actual withdrawal rates are higher than assumed withdrawal rate assumption ,than the benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

17 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2021	
	₹ in lacs	
(a) Deferred tax liabilities on account of		
PPE including ROU, R & D Assets	225.91	
Fair Value changes on Business Combination	629.18	
Fair Value Change of Investment through PL	3.86	858.95
(b) Deferred tax asset on account of		
Fair Value Change of Investment through OCI	(3.75)	
Leave Encashment	(7.61)	
Other tax disallowance	(8.82)	(20.18)
Net deferred tax liability		**838.77**

18 Other Non-financial Liabilities

Particulars	As at March 31, 2021 ₹ In Lacs Non Current	Current
Advance from Customers	-	66.94
Duties and Taxes Payable	-	22.91
Other Payables	-	6.05
Total	**-**	**95.90**

19 Short Term Borrowings

Particulars	As at March 31, 2021 ₹ In Lacs
Short Term Loan from Banks	382.30
Intercorporate Deposit	250.00
Total	**632.30**
Secured Borrowing	382.30
Unsecured Borrowing	250.00

(a) Working Capital loan of Holding Company - Exclusive charge on present and future current asset of the Company and Negative Lien on immovable fixed assets of the company for there registered office located at 54-D, Government Industrial Estate, Charkop, Kandivali (W), Mumbai, Maharashtra.

(b) Cash Credit Facility of Subsidiary Company - Borrowing from Bank is secured by hypothecation of present and future stock of raw material, stock in process and Finished goods and book debts of the company, and further secured by first charge by way of equitable mortgage of land and building, plant and machineries and all immovable properties of the company situated at T-140, MIDC Tarapur, Dist-Thane and further guaranteed by Managing Director of the company and is repayable on demand.

(c) Unsecured Borrowing of Holding Company Intercorporate deposit is for short term, repayable before March 31, 2022. Intercorporate deposit is for short term, repayable before March 31, 2022. It carries Interest @ 8.00%

20 Financial Liabilities - Trade Payables

Particulars	As at March 31, 2021 ₹ In Lacs
Trade Payables for goods and services:	
- Total outstanding dues of Micro and small enterprise	123.55
- Others	1,347.97
Total	**1,471.52**

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

Particulars	As at March 31, 2021 ₹ In Lacs
Principal amount due	123.55
Interest due on above	0.02
Amount paid in terms of Sec 16 of the MSMED Act, 2006	
- Principal amount paid beyond appointed day	361.04
- Interest paid thereon	-
Amount of interest due and payable for the period of delay	2.75
Amount of interest accrued and remaining unpaid as at year end	16.95
Amount of further interest remaining due and payable in the succeeding year	-

The Group has compiled the above information based on written confirmations from suppliers and have been determined to the extent such parties have been identified on the basis of the information available with the Group. This has been relied upon by the auditors.

21 Revenue from Operations

Particulars	2020-21
	₹ In Lacs
Sale of Products	5,934.25
Sale of Services	893.84
Other operating revenues	
Export Incentives	25.89
Sundry Creditors Balances written back	8.32
Miscellaneous income	1.81
Total	**6,864.11**

A Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

(a) Disclosure relating to disaggregation of revenue in terms of Ind AS 115

	As at March 31, 2021
Sale of Generic Formulations	3,537.17
Sale of Chemicals	2,397.07
Sale of Services	893.84

(b) There is only one party which individually accounts for more that 10% of sales of the Group ₹ 1,072.03 Lac

Movement of Contract Balances	As at March 31, 2021
a) Advance from Customers	
Closing Balance	66.94
b) Unbilled Revenue	
Closing Balance	104.17

22 Other Income

Particulars	2020-21
	₹ In Lacs
Interest income	10.95
Interest income on financial asset on EIR basis	0.54
Dividend income - from investments	0.04
Profit on sale of property, plant & equipment	0.26
Rent Income	16.41
Profit on Sale of Non Current Investment	17.10
Foreign Exchange Gain	33.41
Reversal of provision for Expected Credit Loss	1.56
Net gain on financial asset through FVTPL	15.35
Miscellaneous Income	-
Total	**95.62**

23 Cost of Materials Consumed

Particulars	2020-21	
	₹ In Lacs	
Raw Materials Consumed		
Opening stock	150.03	
Additions through Business combination	143.43	
Add : Purchases (Net of discount)	1,480.17	
	1,773.63	
Less : Closing stock	483.54	1,290.09
Packing Materials Consumed		
Opening stock	59.63	
Additions through Business combination	10.79	
Add : Purchases (Net of discount)	132.55	
	202.97	
Less : Closing stock	45.40	157.57
Total		**1,447.66**

24 Purchases of Traded Goods

Particulars	2020-21
	₹ In Lacs
Formulations	1,584.75
Others	60.07
Total	**1,644.82**

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

Particulars	2020-21	
	₹ In Lacs	
Inventory Adjustments - WIP		
Stock at commencement	42.51	
Additions through Business combination	349.99	
Less: - Stock at closing	374.02	18.48
Inventory Adjustments - FG		
Stock at commencement	149.05	
Additions through Business combination	752.66	
Less : Stock at closing	1,063.61	(161.90)
Inventory Adjustments - FG In transit		
Stock at commencement	-	
Less : Stock at closing	0.57	(0.57)
Inventory Adjustments - Traded Goods		
Stock at commencement	655.93	
Less : Stock at closing	688.42	(32.49)
Total		**(176.48)**

26 Employee Benefits Expenses

Particulars	2020-21
	₹ In Lacs
Salaries, bonus, perquisites, etc.	763.60
Contribution to provident and other funds	53.23
Leave encashment	13.59
Leave travel assistance	6.16
Gratuity fund contributions	14.48
Staff welfare expenses	19.32
Recruitment & training	0.16
Total	**870.54**

27 Finance Cost

Particulars	2020-21
	₹ In Lacs
Interest on loan	108.96
Unwinding of Financial Liabilities	25.10
Interest on Dealer's Deposit	22.16
Interest in MSME Creditors	2.77
Interest Others	3.54
Interest on Income Tax	12.57
Total	**175.10**

28 Depreciation & Amortisation

Particulars	2020-21
	₹ In Lacs
Depreciation on tangible assets	432.72
Amortisation on intangible assets	2.67
Depreciation on Right of Use Assets	25.68
Total	**461.07**

29 Other Expenses

Particulars	2020-21
	₹ In Lacs
Commission & Distribution Charges	187.48
Outside manufacturing charges	664.64
Power and fuel	551.48
Consumption of stores and spares	102.20
Freight, forwarding and transportation	119.88
Field staff expenses	57.11
Repairs and maintenance	86.98
Water charges	3.28
Loss on sale of property, plant & equipment	-
Sales and marketing expenses	45.55
Brand Recall Expenses - Domestic Marketing	4.58
Product information catalogue	0.81

Laboratory expenses and analytical Charges	55.39
Expenditure on research & development	23.83
Rent	31.04
Rates and taxes	40.23
Travelling expenses	8.83
Professional charges	53.59
Printing and stationery	16.75
Books, subscription and software	1.52
GST expenses	6.70
Communication expenses	14.60
Insurance	19.46
Intellectual property right expenses	3.52
Remuneration to auditors	8.50
Remeneration to Component Auditors	1.00
Bank charges	1.13
Bad debts and other balance w/off	98.14
Security Charges	24.73
Miscellaneous expenses (none of which individually forms more than 1% of the operating revenue)	33.60
Total	**2,266.55**

Details of:

1	**Repairs and Maintenance:**	
	- Building	9.90
	- Machinery	63.34
	- Others	13.74
		86.98
2	**Remuneration To Auditors:**	
	- Audit fees including Limited Review and Tax Audit	7.90
	- Tax matters	0.50
	- Other services and Out of pocket expenses	0.10
		8.50

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

Particulars	**2020-21**
	₹ In Lacs
Employee benefits expenses	2.85
Laboratory Expenses	23.83
Depreciation	14.17
Total	**40.85**

30 Tax Expense- Profit and Loss Account

Particulars	2020-21
	₹ In Lacs
Current Tax	136.75
Short / Excess Provision of earlier years	22.78
Deferred Tax	(23.92)
Total	**135.61**

31 Tax Expense- Other Comprehensive Income

Particulars	2020-21
	₹ In Lacs
Current Tax	144.84
Deferred Tax	(90.97)
Total	**53.87**

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

	2020-21
Profit before Income taxes	270.47
Enacted tax rates in India (%)	25.17%
Computed expected tax expenses	68.08
Effect of non- deductible expenses	135.92
Effect of deductible expenses	(111.49)
Effect of Depreciation	0.86
MAT Credit Adjusted	2.50
Tax effect for Loss within group companies	37.51
Others	3.37
Income tax expenses - Net	**136.75**
Tax on OCI	
Actuarial changes	(6.09)
Computed expected tax expenses	(0.50)
Capital Gain	1,985.58
Enacted tax rates in India (%)	11.44%
Computed expected tax expenses	227.15
Exemption under tax laws	(56.59)
Set off of losses and other deductions	(26.05)
Others	0.33
Income tax expenses - Net	**144.84**

(ii) 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:

₹ in lacs

Particulars	**Opening/ Created on Acquisition**	**Recognized in P & L**	**Recognized in OCI**	**Closing**
Depreciation including on ROU, R & D Assets, Amortisation and impairment	296.39	(70.48)	-	**225.91**
Fair Value changes on Business Combination*	632.03	(2.85)		**629.18**
Compensated Absences	(7.60)	(0.01)	-	**(7.61)**
Other tax disallowance	(13.59)	4.78	-	**(8.82)**
Unabsorbed Tax Loss	(40.77)	40.77	-	**-**
Fair Value Changes of Investment held through PL	-	3.86	-	**3.86**
Fair Value Changes of Investment held through OCI	87.22	-	(90.97)	**(3.75)**
As at March 31, 2021	**953.67**	**(23.93)**	**(90.97)**	**838.77**

* The Deferred Tax on acquisition date has been clubbed under opening for the purposes of Reconciliations

32 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.

Particulars		**2020-21**
Profit after tax		**134.86**
Closing equity shares outstanding (Nos.)	49,16,980	
Opening equity shares outstanding (Nos.)	49,16,980	
Add:- issued during the year (Nos.)	-	
Closing equity shares outstanding (Nos.)		49,16,980
Weighted avg no. of shares outstanding (Nos.) (Basic)		49,16,980
Weighted avg no. of shares outstanding (Nos.) (Diluted)		49,16,980
Nominal value of equity share (₹)		10.00
Basic EPS (i/iii) (₹)		2.74
Diluted EPS (i/iv) (₹)		2.74

33 Disclosure in accordance with Ind AS – 116 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.

i) The following is the carrying value of lease liability:

Particulars	**As at March 31, 2021**
Opening Liability	235.86
Additions during the year	-
Finance cost accrued during the year	24.39
Deletions	-
Payment of lease liabilities	(31.20)
Balance	**229.05**

Breakup:	As at March 31, 2021
Current portion of Lease liability	9.04
Non Current portion of Lease liability	220.01
	229.05

ii) **Amounts recognised in the statement of cash flows**

Particulars	As at March 31, 2021
Total cash outflow for leases	**31.20**

iii) **The details of the contractual maturities of lease liabilities:**

Particulars	As at March 31, 2021
Less than one year	31.85
One to five years	208.26
More than five years	126.12
Total	**366.23**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

34 Disclosure as required by IND AS 108 "Operating Segment", of the Companies (Indian Accounting Standards) Rules, 2015.

There is only one party which individually accounts for more that 10% of sales of the Group ₹ 1,072.03 Lac

The disclosure for Segment Reporting is made on the information reviewed by the "Chief Operating Decision Maker (CODM)", or which are otherwise regularly provided to the CODM.

Pursuant to acquisition of Resonance Specialties Limited (Resonance), the group has two reportable segments viz. "Pharmaceutical" (Makers) and " Chemical Manufacturing" (Resonance) as per Indian Accounting Standard "Operating Segment (Ind AS- 108). Segment information is given here in below:

₹ in lacs

Particulars	Pharmaceutical	Chemical Manufacturing	Total
Revenue from External Customers	4,431.01	2,397.08	6,828.09
Other Income	49.91	81.73	131.64
Total Revenue	4,480.92	2,478.81	6,959.73
Interest Expenses	158.80	16.29	175.09
Depreciation and Amortisation	430.89	30.19	461.08
Other Expenses	4,110.80	1,942.29	6,053.09
Total Expenses	4,700.49	1,988.77	6,689.26
Segment Results - PBT	(219.57)	490.04	270.47
Tax	(48.59)	184.20	135.61
Segment Results - PAT	(170.98)	305.84	134.86
Segment Assets	5,666.18	7,953.09	13,619.27
Segment Liabilities	9,318.91	4,300.36	13,619.27

35 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

A) List of related parties

Relationships

(i) Entities having significant influence

Shareholders of Makers Laboratories Ltd

Kaygee Investments Pvt.Ltd.

(Promoter holding together with its subsidiary more than 20%)

(ii) Key Management Personnel

Mr. Saahil Parikh	Wholetime Director
Ms. Dipti Shah	Independent Director
Mr. R K P Verma	Independent Director
Mr. P M Kathariya	Independent Director (Upto 29th September 2020)
Mr. Nilesh Jain	Wholetime Director
Mr. Prashant Godha	Additional Director (w.e.f November 4, 2020)
Mr. Vishal Jain	Additional Director (w.e.f November 4, 2020)

(iii) Entities in which promoters have significant influence

Ipca Laboratories Ltd.

(iv) Relative of Key Management Personnel

Mr. Umesh Parikh

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

36 CSR Expenditure:

Gross amount required to be spent by the Group during the year Rs.7.63 (previous year Nil).

Particulars	**₹ In Lacs** **As at March 31, 2021**
Donation to Prabhat Foundation	8.50

Group did not spent any amount during the previous year as it was not applicable.

37 Contingent liabilities and Commitments

A) Contingent Liabilities

Particulars	**₹ in Lacs** **As at March 31, 2021**
Guarantees given by the bank on behalf of the Group to Government Authorities and Others	21.20
Other moneys for which the Company is contingently liable for tax and other matters not accepted by the Group	150.80
Claims against the Company not acknowledged as debts	33.63
Demand raised by MPCB disputed by the Group	173.77
Total	**379.40**

The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019 has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are universally, necessarily and ordinarily paid to all the employees in the establishment across the board. There are numerous interpretative issues relating to the judgement. As such, the Group has, based on legal advice and as a matter of caution, made provision for an estimated amount on a prospective basis without considering any probable obligations for past periods. The Group will continue to monitor and evaluate its position and act, as clarity emerges.

B) Commitments

Particulars	**₹ in Lacs** **As at March 31, 2021**
(a) Estimated amount of contracts remaining to be executed on capital account. (Net of Capital Advances)	
- Tangible Assets	11.55
	11.55

38 Business combinations

The Company acquired 52,50,000 Equity shares of ₹ 10 each of Resonance Specialties Limited (Resonance) on September 30, 2020, which represents 45.48% of voting rights for a total cash consideration of ₹ 2,244.41 Lacs. The open offer process under SEBI (SAST) Regulations was completed on December 10, 2020. The Company has de-facto control over Resonance in accordance with Ind AS 110 - Consolidated Financial Statements under the Companies (Indian Accounting Standards) Rules 2015. Accordingly, the Company has consolidated the results of Resonance from December 11, 2020, as a subsidiary.

Resonance Specialties Ltd is a company engaged in business of manufacturing and marketing of Pyridine, Picolines, Cynopyridines drug intermediates and active pharmaceutical ingredient (API's) with its manufacturing unit situated in Tarapur, Boisar, Dist . Palghar (Maharashtra)

The Disclosures required under Ind AS 103 are given here under

Particulars	**Disclosure**
Name and Description of Acquiree	Resonance Specialties Ltd is a company engaged in business of manufacturing and marketing of Pyridine, Picolines, Cynopyridines drug intermediates and active pharmaceutical ingredient (API's) with its manufacturing unit situated in Tarapur, Boisar, Dist . Palghar (Maharashtra)
Acquistion Date	December 11, 2020
Percentage of voting interest acquired.	45.48%
Primary reason for business acquistion	The acquisition of controlling shareholding in Resonance Specialties Limited will enable the parent company to enter into speciality chemicals and Api businesses which will complement the parent's existing generic formulations business.
Qualitative reasons for Good will acquired	No Goodwill has been acquired as the aforesaid acquistion resulted in a gain / bargain purchase of ₹ 322.70 Lac
Acquisition date fair value of consideration transferred	₹ 2,244.41 Lac
Contingent Consideration	Nil
Acquired Receivables	All the acquired receivables are fully collectible and there are no amount which is not expected to be not collected

Acquistion date fair value of major assets and liabilites	PPE - ₹ 4,117.03 Lac Non Current Assets ₹ 499.15 Lac Current Assets ₹ 2,999.20 Lac Non-Current Liabilites ₹ 829.94 Lac * Current Liabilities ₹ 1,140.96 Lac * Includes ₹ 632.03 Lac of deferred tax liability that has been created on the difference between fair value of assets acquired and their book value in the books of acquiree."
Amount of Goodwill expected to be tax deductible	There is no Goodwill in the business purchase
Amount recognised on Bargain Purchase	₹ 322.70 Lac is recognised in other equity as Capital Reserve in Bargain Purchase in accordance with para 34.
Non-Controlling Interest Disclosure	"The Company has recognised ₹ 3,077.37 Lac as NCI on acqusition date on the basis of the Fair value of assets and liabilities acquired. The same was done on the basis of valuer who determined the fair value of PPE. The management assessed the other assets and liabilites as being equal to the value at which they were carried on acquisition date."
Amount of Revenue and Profit recognised in the Consolidated Profit and Loss	Revenue - ₹ 2,478.79 Lac Profit and Loss - ₹ 306.24 Lac (after OCI)

39 Disclosure of Interest in Other entities as per Ind AS 112

Consolidated financial statements comprises the financial statements of Makers Laboratories Limited and its subsidiary Resonance Specialties Limited

The following table summarises the information relating to the subsidiary that has NCI. The amounts disclosed for each subsidiary are before intra-group eliminations.

Particulars	**₹ in Lacs** **As at March 31, 2021**
Non-current assets	1,679.07
Current assets	3,784.05
Non-current liabilities	187.12
Current liabilities	1,208.72
Net assets	4,067.28
Net assets attributable to NCI	2,217.48
Revenue	2,478.79
Profit for the year	304.90
Profit/(Loss) allocated to NCI	166.23
Other comprehensive income	(1.50)
OCI allocated to NCI	(0.82)
Cash flow from operating activities - Refer note hereunder	-
Cash flow from investing activities - Refer note hereunder	-
Cash flow from financing activities - Refer note hereunder	-
Net increase/ (decrease) in cash and cash equivalents - Refer note hereunder	-

Note: In the absence of the previous period consolidated balance sheet, the Consolidated Statement of cash flow under the indirect method cannot be prepared and hence details related to cash flow as mandated by IndAS 112 is not presented.

40 Financial Instruments

The carrying value and fair value of financial instruments by categories is as follows:

₹ in Lacs

Particulars	Carrying Value As at March 31, 2021
Financial assets	
Amortised Cost	
Loans	78.95
Others	232.12
Trade receivables	1,660.80
Cash and cash equivalents	621.53
FVTPL	
Mutual Funds	75.35
FVTOCI	
Equity Instruments	121.46
Total Financial Assets	**2,790.21**
Financial liabilities	
Amortised Cost	
Borrowings	1,185.15
Trade payables	1,471.52
Others	776.96
Lease Liability	229.05
Total Financial Liabilities	**3,662.68**

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.

41 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).

Particulars	Date of Valuation - 31/03/2021			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets measured at fair value through P&L				
Mutual Funds	75.35	-	-	75.35
	75.35	-	-	75.35
Financial assets measured at fair value through OCI				
Listed Equity Investments	9.14	-	-	9.14
Unlisted Equity Investments	-	-	112.32	112.32
	9.14	-	112.32	121.46
Financial assets measured at Amortised Cost				
Loans	-	-	78.95	78.95
Others	-	-	232.12	232.12
Trade receivables	-	-	1,660.80	1,660.80
Cash and cash equivalents	-	-	621.53	621.53
	-	-	2,593.40	2,593.40
Total Financial Assets	**84.49**	**-**	**2,705.72**	**2,790.21**
Financial Liabilities measured at Amortised Cost				
Borrowings	-	-	1,185.15	1,185.15
Lease Liability	-	-	1,471.52	1,471.52
Trade Payable	-	-	776.96	776.96
Other Financial Liability	-	-	229.05	229.05
	-	-	3,662.68	3,662.68
Total Financial Liability	**-**	**-**	**3,662.68**	**3,662.68**

42 Financial Risk Factors

The Group's business activities are exposed to a variety of financial risks: Market/Business risk, credit risk, Exchange risk, etc. The Group'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 Group is the price risk. There was decrease in the income in FY 2020-21 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 Group has exposure to credit risks associated with sales to various Customers. To mitigate these credit risks arising out of this, the Group on a regular basis evaluates the credit risk associated with a customer. Customer where no credit insurance is available, the Group monitors such risk by continuously monitoring its exposure to such customer. Based on the historical data, the Group has made adequate provisions for expected loss because of credit risk, which is neither significant nor material.

43 Capital Management

For the purpose of the Group'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 Group's capital management is to maximise the shareholders' value.

The Group 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 Group may adjust its dividend payment ratio to shareholders, return capital to shareholders or issue fresh shares. The Group monitors capital using a gearing ratio, which is net debt divided by its total capital. The Group includes within its net debt the cash credit facilities, trade , lease and other payables less cash and cash equivalents.

	₹ in Lacs
Particulars	**As at March 31, 2021**
Borrowings	1,185.15
Current Maturities	245.28
Less: Cash and Cash Equivalents	(527.32)
Net debt	903.11
Total Equity Capital and net debt	5,412.87
Gearing Ratio	**16.68%**

No changes were made in the objectives, policies or processes for managing the capital during the years ended March 31, 2021.

44 Disclosure as per Schedule III of Companies Act, 2013

Particulars	**Parent**	**Subsidiary**	**Total**
Net Assets , i.e. Total Assets minus Total Liabilities			
Amount	5,276.36	136.49	5,412.85
As % of consolidated Net assets	97.48	2.52	100.00
Share in Profit or (loss)			
Amount	(172.51)	139.59	(32.92)
As % of consolidated Profit or (Loss)	(523.99)	423.99	(100.00)
Share in Other Comprehensive Income			
Amount	661.83	(0.67)	661.16
As % of consolidated OCI Profit or (Loss)	100.10	(0.10)	100.00
Share in Total Comprehensive Income			
Amount	489.32	138.92	628.24
As % of consolidated Total OCI Profit or (Loss)	77.89	22.11	100.00

45 The spread of Covid-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lock down, disruption in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. Based on detailed assessment of the impact of COVID-19 on the operations of the Group and ongoing discussions with vendors and service providers, the Management is confident of obtaining regular supply of raw materials and logistics services. Management believes that it has taken into account all the possible impact of known events arising from Covid-19 pandemic in the preparation of financial statements. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions.

46 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 Group for the year ended March 31,2021

As per our report of even date attached	**For and on behalf of the Board of Directors**		
For Natvarlal Vepari & Co.			
Chartered Accountants	**Saahil Parikh**	**Nilesh Jain**	**Prashant Godha**
Firm Registration No. 106971W	(DIN 00400079)	(DIN 05263110)	(DIN 00012759)
	Wholetime Director	Wholetime Director	Additional Director
N. Jayendran			
Partner		**Khyati Danani**	**Sandeep Kadam**
M.No. 40441		(ACS 21844)	CFO
Mumbai June 10, 2021	June 10, 2021	Company Secretary	

Statement 1

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 where control Exists Subsidiaries	Key Management Personnel	Entities in which promoters have significant influence	Other Related Parties	Total
	Mar 21	Mar 21	Mar 21	Mar 21	Mar 21
Purchase of goods and services					
Ipca Laboratories Ltd	-	-	131.03	-	131.03
TOTAL	**-**	**-**	**131.03**	**-**	**131.03**
Sales of goods and services					
Ipca Laboratories Ltd	-	-	1,011.10	-	1,011.10
TOTAL	**-**	**-**	**1,011.10**	**-**	**1,011.10**
Other expenses reimbursements					
Ipca Laboratories Ltd	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**
Sale of quoted Shares thru block deal mechanism of SE					
Kaygee Investments Pvt.Ltd.	-	-	2,086.81	-	2,086.81
TOTAL	**-**	**-**	**2,086.81**	**-**	**2,086.81**
Dividend Income :					
Ipca Laboratories Ltd	-	-	0.04	-	0.04
TOTAL	-	-	0.04	-	0.04
Other expenses paid:					
Ipca Laboratories Ltd	-	-	0.85	-	0.85
TOTAL	**-**	**-**	**0.85**	**-**	**0.85**
Remuneration to Directors					
Mr. Saahil Parikh	-	46.71	-	-	46.71
Mr. Nilesh Jain	-	26.10	-	-	26.10
TOTAL	**-**	**72.81**	**-**	**-**	**72.81**
Provident Fund					
Mr. Saahil Parikh	-	3.53	-	-	3.53
Mr. Nilesh Jain	-	2.06	-	-	2.06
TOTAL	**-**	**5.59**	**-**	**-**	**5.59**
Sitting Fee to Non-executive Directors					
Mrs. Dipti Shah	-	1.90	-	-	1.90
Mr. R K P Verma	-	2.92	-	-	2.92
Mr. P M Kathariya	-	0.95	-	-	0.95
Mr. Prashant Godha	-	1.17	-	-	1.17
Mr. Vishal Jain	-	0.60	-	-	0.60
TOTAL	**-**	**7.54**	**-**	**-**	**7.54**
Salaries Paid					
Umesh Parikh	-	-	-	16.65	16.65
TOTAL	**-**	**-**	**-**	**16.65**	**16.65**
Closing Balances of Related Parties					
Description	**Entities having significant influence Subsidiaries**	**Key Management Personnel**	**Entities in which promoters have significant influence**	**Other Related Parties**	**Total**
	Mar 21	**Mar 21**	Mar 21	**Mar 21**	Mar 21
Balance at year end					
Receivables					
Ipca Laboratories Ltd	-	-	138.23	-	138.23
TOTAL	**-**	**-**	**138.23**	**-**	**138.23**
Payables					
Ipca Laboratories Ltd	-	-	25.95	-	25.95
TOTAL	**-**	**-**	**25.95**	**-**	**25.95**

Form AOC-I

(Pursuant to first proviso to section 129 (3) read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ in Lacs)

Sr. No	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Total Income/ Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
1	Resonance Specialties Ltd.	INR	1,154.40	2912.89	5463.00	1396.00	75.35	7187.3	1456.47	404.07	1,052.41	1.00	45.48%

1) Financials reporting period of all subsidiaries is 31st March.

2) The Company owns 45.48% interest in the above subsidiary

For and on behalf of the Board of Directors

Saahil Parikh
(DIN 00400079)
Wholetime Director

Nilesh Jain
(DIN 05263110)
Wholetime Director

Prashant Godha
(DIN 00012759)
Additional Director

Khyati Danani
(ACS 21844)
Company Secretary

Sandeep Kadam
CFO

Mumbai
10th June, 2021

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS
903-904, 9th Floor, Raheja Chambers, 213, Nariman Point, Mumbai 400 021. Tel. : 6752 7100 Fax : 6752 7101 E-mail : nvc@nvc.in

Independent Auditor's Review Report on Standalone Unaudited Quarter and Half year ended Financial Results of Makers Laboratories Limited pursuant to the Regulation 33 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To,
The Board of Directors
Makers Laboratories Limited,
Mumbai.

1. We have reviewed the accompanying statement of standalone unaudited financial results ("the Statement") of Makers Laboratories Limited ("the Company") for the quarter and half year ended September 30, 2021, being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) including relevant circulars issued by SEBI from time to time.

2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. This statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement of unaudited financial results based on our review.

3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that may be identified in an audit. Accordingly, we do not express an audit opinion.

NATVARLAL VEPARI & CO. ★ Mumbai ★ CHARTERED ACCOUNTANTS

903-904, 9th Floor, Raheja Chambers, 213, Nariman Point, Mumbai 400 021. Tel. : 6752 7100 Fax : 6752 7101 E-mail : nvc@nvc.in

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards as specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the relevant rules issued thereunder including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M. No. 40441
UDIN: 21040441AAAACM5094
Mumbai, Dated: - November 10, 2021

NATVARLAL VEPARI & CO. ★ Mumbai ★ CHARTERED ACCOUNTANTS

Makers Laboratories Limited

Regd. Office : 54D, Kandivli Industrial Estate, Kandivli (W), Mumbai 400 067

CIN : L24230MH1984PLC033389

Tel:+91 22 28688544 E-mail : investors@makerslabs.com , Website : www.makerslabs.com

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021

(Rs. In Lacs)

Sr. No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
		(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Audited)
I	Revenue from Operations	1,506.58	1,480.67	1,366.78	2,987.25	2,280.60	4,441.14
II	Other Income	66.80	5.61	10.91	72.41	30.27	41.40
III	**Total Income (I + II)**	**1,573.38**	**1,486.28**	**1,377.69**	**3,059.66**	**2,310.87**	**4,482.54**
IV	**Expenses:**						
	a) Cost of materials consumed	191.93	193.19	213.22	385.12	323.60	621.98
	b) Purchases of stock-in-trade	539.94	713.79	400.89	1,253.73	710.51	1,644.82
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	52.31	(131.60)	41.40	(79.29)	19.17	(20.55)
	d) Employee benefits expense	211.78	225.63	191.78	437.41	385.96	763.02
	e) Finance Cost	45.76	43.30	37.19	89.06	76.75	158.90
	f) Depreciation and amortisation expense	49.86	46.19	102.18	96.05	202.28	419.58
	g) Other expenses	364.00	360.93	336.25	724.93	540.96	1,102.20
	Total Expenses (IV)	**1,455.58**	**1,451.43**	**1,322.91**	**2,907.01**	**2,259.23**	**4,689.95**
V	**Profit / (Loss) before tax (III - IV)**	**117.80**	**34.85**	**54.78**	**152.65**	**51.64**	**(207.41)**
VI	**Tax Expense**						
	Current Tax	23.00	-	8.56	23.00	8.56	
	Short / Excess Provision of earlier years	-	-	(14.94)	-	(14.94)	(16.70)
	Deferred Tax (Asset) / Liability	13.60	5.29	(33.00)	18.89	(37.70)	(29.05)
VII	**Net Profit / (Loss) after tax (V-VI)**	**81.20**	**29.56**	**94.16**	**110.76**	**95.72**	**(161.66)**
VIII	Other Comprehensive Income						
	Items that will not be reclassified to profit & loss						
	(a) Actuarial gain and loss	5.52	(1.28)	(5.01)	4.24	(7.15)	(5.10)
	Tax Effect thereon	-	-				-
	(b) Fair Value change through Other Comprehensive Income	6.04	51.93	407.86	57.97	699.47	720.80
	Tax Effect thereon	(0.21)	(4.54)	(34.65)	(4.75)	(70.01)	(53.87)
	Other Comprehensive Income	**11.35**	**46.11**	**368.20**	**57.46**	**622.31**	**661.83**
IX	**Total Comprehensive Income after tax (VII + VIII)**	**92.55**	**75.67**	**462.36**	**168.22**	**718.03**	**500.17**
X	Paid-up equity share capital (Face value of Rs.10/- each)	491.70	491.70	491.70	491.70	491.70	491.70
XI	Other Equity						**4,470.40**
XII	Earnings per share (of Rs.10/- each) - Not annualised:						
	Basic & Diluted	1.65	0.60	1.92	2.25	1.95	(3.29)

STAMPED FOR IDENTIFICATION
NATVARLAL VEPARI & CO. Chartered Accountants MUMBAI

MAKERS LABORATORIES LIMITED MUMBAI

Makers Laboratories Limited

Unaudited Standalone Statement Of Assets And Liabilities As At September 30, 2021

Particulars	As at Sep 30, 2021 Rs in lacs	As at Mar 31, 2021 Rs in lacs
	Unaudited	Audited
ASSETS		
(1) Non-current Assets		
(a) Property, Plant & Equipment	2,805.34	2,844.86
(b) Capital Work-in-Progress	24.80	12.42
(c) Right Of Use	193.50	206.34
(d) Other Intangible Assets	6.97	7.80
(e) Intangible Assets Under Development	-	-
(f) Financial Assets		
(i) Investments	2,255.98	2,365.87
(ii) Loans	-	-
(iii) Others	66.42	62.31
(g) Other Non-current Assets	182.44	92.16
	5,535.45	**5,591.76**
(2) Current Assets		
(a) Inventories	1,157.90	1,088.73
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade receivables	865.21	718.74
(iii) Cash and Cash Equivalents	18.20	25.55
(iv) Bank Balances other than (iii) above	8.86	8.86
(v) Loans	-	-
(vi) Others	166.76	178.74
(c) Current Tax Assets (Net)	-	-
(d) Other Current Assets	419.73	299.21
	2,636.66	2,319.83
TOTAL ASSETS	8,172.11	7,911.59
EQUITY & LIABILITIES		
EQUITY		
(a) Equity Share Capital	491.70	491.70
(b) Other Equity	4,638.62	4,470.40
Total Equity	**5,130.32**	**4,962.10**
LIABILITIES		
(1) Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	410.76	552.84
(ii) Other Financial Liabilities	-	-
(iii) Lease Liability	179.53	197.20
(b) Provisions	18.00	21.96
(c) Deferred Tax Liabilities (Net)	71.37	47.73
(d) Other Non-current Liabilities	175.00	-
	854.66	**819.73**
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	807.49	816.70
(ii) Trade Payables		
- Due to Micro, small and Medium enterprises	27.82	105.25
- Due to Others	560.60	519.24
(iii) Other financial liabilities	536.82	460.99
(b) Lease Liability	45.18	31.85
(c) Other Current Liabilities	30.58	20.18
(d) Provisions	176.36	169.63
(e) Current Tax Liabilities (Net)	2.28	5.92
	2,187.13	2,129.76
TOTAL EQUITY AND LIABILITIES	8,172.11	7,911.59

Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April 2021.

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MAKERS LABORATORIES LIMITED MUMBAI

MAKERS LABORATORIES LIMITED.

Unaudited Standalone Cash Flow Statement for the half year ended 30 th Sept, 2021

		Sept'21 Rs in lacs (Unaudited)	Sept'20 Rs in lacs (Audited)
A.	**Cash Flow from Operating Activities**		
	1) Net profit before taxation and extraordinary item	152.65	51.64
	Adjustments for :		
	Depreciation	96.05	202.28
	(Profit)/ Loss on sale of Property, Plant & Equipment	-	(0.26)
	Bad debts w/off	0.53	-
	Reversal of provision for Doubtful debts	-	(0.83)
	(Profit)/Loss on Sale of Investment	-	(17.10)
	Unwinding of Lease rent Income	(0.28)	-
	Unwinding of Lease rent Expenses	0.08	
	Interest income	(2.28)	(1.45)
	Dividend income	(52.50)	-
	Interest expense	73.26	64.76
		267.51	**299.04**
	2) Operating profit before working capital changes		
	Decrease / (Increase) in inventories	(69.17)	(3.53)
	Decrease / (increase) in Trade Receivables	(147.00)	23.04
	Decrease / (increase) in Other Financial assets	7.50	29.82
	Decrease / (increase) in Other assets	(118.62)	5.88
	Increase / (Decrease) in Trade Payables	(36.07)	18.22
	Increase / (Decrease) in Other Financial liabilities	75.78	(35.00)
	Increase / (Decrease) in Other liabilities	185.40	4.72
	Increase / (Decrease) in Provisions	1.09	(18.49)
	3) Cash generated from operation	**166.42**	**323.70**
	Income tax paid (net)	(20.73)	(10.51)
	Net cash from operating activities	**145.69**	**313.19**
B.	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant & Equipment including capital WIP & Intangibles	(146.24)	(74.99)
	Proceeds from Sale of Plant, Property and Equipment	-	0.70
	Investments in shares	-	(2,244.41)
	Sale of shares	167.86	2,120.09
	Advance for purchase of shares	-	(117.10)
	Movement in other bank balances	-	0.60
	Interest received	2.60	1.88
	Dividend received	52.50	-
	Net cash from / (used) in investing activities	**76.72**	**(313.23)**
C.	**Cash Flow from Financing Activities**		
	Interest paid	(62.23)	(48.90)
	Repayment from short term borrowing (Net)	(42.54)	(92.56)
	Repayment from Non-Current borrowing	(108.75)	(108.75)
	Intercorporate deposit received	-	500.00
	Payment of lease Liability		
	- Interest	(11.91)	(12.28)
	- Principal	(4.34)	(3.32)
	Dividend & dividend tax paid	-	(0.60)
	Net cash from (used in) financing activities	**(229.77)**	**233.59**
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	(7.35)	233.55
	Cash and cash equivalents at beginning of year	25.55	86.66
	Cash and cash equivalents at end of year	**18.20**	**320.21**
	Components of Cash & Cash equivalents :		
	Cash and cheques on hand	1.54	315.22
	Balance with banks	16.66	4.99
		18.20	**320.21**

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NATVARLAL VEPARI & CO. * Chartered Accountants MUMBAI

MAKERS LABORATORIES LIMITED MUMBAI-67.

Notes:

1 The above unaudited financial results, as reviewed by the Audit Committee, were approved and taken on record by the Board of Directors in their meeting held on November 10, 2021

2 The statutory auditors have carried out a limited review of the financial results and have issued their unmodified report thereon.

3 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.

4 In order to align the depreciation of the entire group to straight line method (SLM), the company has changed the method of depreciation of assets which were hitherto depreciated on Written down value method to SLM. On account of this change being in the nature of estimates , the depreciation for the quarter and half year end is lower by Rs 45.08 lacs and Rs 93.15 Lacs respectively. Consequently, the profit for the quarter and half year end is higher by Rs 45.08 lacs and Rs. 93.15 Lacs respectively.

5 The Company has carried out assessment of impact of COVID-19 on its business operations and liquidity position and has taken into account all known events arising from the pandemic in the preparation of the standalone financial results. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

6 The Company has only one reportable segment viz. 'Pharmaceuticals' and as such there are no separate reportable segment as per Indian Accounting Standard "Operating Segment (Ind AS- 108)

7 Figures for the previous period have been regrouped / re-classified to confirm to the figures of the current period.

By Order of the Board
For **Makers Laboratories Limited**

MAKERS LABORATORIES LIMITED MUMBAI-67.

Saahil Parikh
Wholetime Director
(DIN 00400079)

Place : Mumbai,
Date : November 10, 2021

STAMPED FOR IDENTIFICATION NATVARLAL VEPARI & CO. Chartered Accountants MUMBAI

Natvarlal Vepari & Co.

CHARTERED ACCOUNTANTS

903-904, 9th Floor, Raheja Chambers, 213, Nariman Point, Mumbai 400 021. Tel. : 6752 7100 Fax : 6752 7101 E-mail : nvc@nvc.in

Independent Auditor's Review Report on Consolidated Unaudited Quarter and Half year ended Financial Results of Makers Laboratories Limited pursuant to the Regulation 33 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To,
The Board of Directors
Makers Laboratories Limited,
Mumbai.

1. We have reviewed the accompanying statement of consolidated unaudited financial results ("the Statement") of Makers Laboratories Limited ("the Parent") and its subsidiary, (the Parent and its subsidiary together referred to as "the Group") for the quarter and half year ended September 30, 2021, being submitted by the Company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) including relevant circulars issued by SEBI from time to time.

2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. This statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement of unaudited financial results based on our review.

3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that may be identified in an audit. Accordingly, we do not express an audit opinion.

NATVARLAL VEPARI & CO. ★ Mumbai ★ CHARTERED ACCOUNTANTS

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS

903-904, 9th Floor, Raheja Chambers, 213, Nariman Point, Mumbai 400 021. Tel. : 6752 7100 Fax : 6752 7101 E-mail : nvc@nvc.in

4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

5. The Statement includes the unaudited standalone financials results of Makers Laboratories Limited (Holding Company) and Resonance Specialties Limited (Subsidiary).

6. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards as specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the relevant rules issued thereunder including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. We did not review the unaudited financial statement of the subsidiary whose interim financial results reflect total revenue of Rs. 4,096.92 Lacs and total net profit after tax of Rs. 685.49 lacs for the half year ended September 30, 2021, and total revenue of Rs. 1,894.23 Lacs and total net profit after tax of Rs. 335.28 lacs for the quarter ended September 30, 2021, as considered in the statement. These financial statements, which have been considered, are reviewed by the respective independent auditor whose report has been furnished to us and our conclusion in the statement, in so far as it relates to the subsidiary is based on the reports of the other auditor and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the statement is not modified in respect of the above matter.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M. No. 40441
UDIN: 21040441AAAACN6662
Mumbai, Dated: - November 10, 2021

NATVARLAL VEPARI & CO.
Mumbai
CHARTERED ACCOUNTANTS

Makers Laboratories Limited

Regd. Office : 54D, Kandivli Industrial Estate, Kandivli (W), Mumbai 400 067

CIN : L24230MH1984PLC033389

Tel:+91 22 28688544 E-mail : investors@makerslabs.com , Website : www.makerslabs.com

Statement of Unaudited Consolidated Financial Results for Quarter and Half Year Ended September 30, 2021

(Rs. In Lacs)

Sr. No.	Particulars	Quarter Ended		Half Year Ended	Year Ended
		September 30,2021	June 30 ,2021	September 30,2021	March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from Operations	3,356.81	3,629.09	6,985.90	6,864.11
II	Other Income	57.49	59.08	116.57	95.62
III	**Total Income (I + II)**	**3,414.30**	**3,688.17**	**7,102.47**	**6,959.73**
IV	**Expenses:**				
	a) Cost of materials consumed	913.97	877.39	1,791.36	1,447.66
	b) Purchases of stock-in-trade	539.94	713.79	1,253.73	1,644.82
	c) Changes in inventories of finished goods,	(78.13)	54.00	(24.13)	(176.48)
	work-in-progress and stock-in-trade	-	-		
	d) Employee benefits expense	306.81	310.02	616.83	870.54
	e) Finance Cost	50.21	43.30	93.51	175.10
	f) Depreciation and amortisation expense	102.88	99.74	202.62	461.07
	g) Other expenses	1,083.53	1,097.70	2,181.23	2,266.55
	Total Expenses (IV)	**2,919.21**	**3,195.94**	**6,115.15**	**6,689.26**
V	**Profit/ (Loss) Before exceptional items and Tax (III-IV)**	**495.09**	**492.23**	**987.32**	**270.47**
VI	Exceptional Items income/ (expenses)	3.69	-	3.69	-
VII	**Profit/ (Loss) Before Tax (V+VI)**	**498.78**	**492.23**	**991.01**	**270.47**
VIII	**Tax Expense**				
	Current Tax	147.21	116.20	263.41	136.75
	Short /(Excess) Provision of earlier years	-	-	-	22.78
	Deferred Tax (Asset) / Liability	(5.20)	3.45	(1.75)	(23.92)
IX	**Net Profit / (Loss) after tax but before non-controlling interests(VII-VIII)**	**356.77**	**372.58**	**729.35**	**134.86**
X	Less: Share of non-controlling interests	(182.80)	(190.96)	(373.76)	(167.78)
XI	**Net Profit / (Loss) after share of non-controlling interests (IX-X)**	**173.97**	**181.62**	**355.59**	**(32.92)**
XII	**Other Comprehensive Income**				
	(a) Actuarial gain / (loss)	13.99	(8.91)	5.08	(6.09)
	Tax Effect thereon	2.21	(1.99)	0.22	(0.50)
	(b) Fair Value change through Other Comprehensive Income	6.04	51.93	57.97	720.80
	Tax Effect thereon	(0.21)	(4.54)	(4.75)	(53.87)
	Other Comprehensive Income / (Loss) for the period, net of tax	**22.03**	**36.49**	**58.52**	**660.34**
XIII	**Total Comprehensive Income after tax (IX + XII)**	**378.80**	**409.07**	**787.87**	**795.20**
	Other Comprehensive Income for the period attributable to :				
	Owners of the parent	16.20	41.74	57.94	661.16
	Non-controlling interest - profit / (loss)	5.83	(5.25)	0.58	(0.82)
		22.03	**36.49**	**58.52**	**660.34**
	Total Comprehensive Income for the period attributable to :				
	Owners of the parent	190.17	223.36	413.53	628.24
	Non-controlling interest - profit / (loss)	188.63	185.71	374.34	166.96
		378.80	**409.07**	**787.87**	**795.20**
XIV	Paid-up equity share capital (Face value of Rs.10/- each)	491.70	491.70	491.70	491.70
XV	Earnings per share (of Rs.10/- each) - Not annualised :				
	Basic & Diluted	3.54	3.69	7.23	(0.67)

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MAKERS LABORATORIES LIMITED MUMBAI

Makers Laboratories Limited

UNAUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2021

Particulars	As at Sept 30, 2021 Rs in lacs (Unaudited)	As at Mar 31, 2021 Rs in lacs (Audited)
ASSETS		
(1) Non-current Assets		
(a) Property, Plant & Equipment	6,771.60	6,899.62
(b) Capital Work-in-Progress	40.84	16.16
(c) Right Of Use	193.50	206.34
(d) Other Intangible Assets	28.11	33.08
(e) Intangible Assets Under Development	-	-
(f) Financial Assets		
(i) Investments	11.57	121.46
(ii) Loans	-	-
(iii) Others	138.13	132.26
(g) Other Non-current Assets	197.71	106.47
	7,381.46	**7,515.39**
(2) Current Assets		
(a) Inventories	2,675.18	2,746.68
(b) Financial Assets		
(i) Investments	11.68	75.35
(ii) Trade receivables	1,878.02	1,660.80
(iii) Cash and Cash Equivalents	37.14	527.32
(iv) Bank Balances other than (iii) above	671.63	94.21
(v) Loans	-	-
(vi) Others	270.89	178.79
(c) Current Tax Assets (Net)	-	-
(d) Other Current Assets	1,151.75	820.74
	6,696.29	**6,103.88**
TOTAL ASSETS	**14,077.75**	**13,619.27**
EQUITY & LIABILITIES		
EQUITY		
(a) Equity Share Capital	491.70	491.70
(b) Other Equity	5,334.70	4,921.17
Total Equity	**5,826.40**	**5,412.87**
Non Controlling Interest	3,555.73	3,244.33
LIABILITIES		
(1) Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	410.76	552.84
(ii) Other Financial Liabilities	-	-
(iii) Lease Liability	179.53	197.20
(b) Provisions	34.86	38.12
(c) Deferred Tax Liabilities (Net)	841.78	838.77
(d) Other Non-current Liabilities	175.00	-
	1,641.93	**1,626.93**
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	807.49	877.58
(ii) Trade Payables		
- Due to Micro, small and Medium enterprises	33.76	123.55
- Due to Others	1,049.08	1,347.97
(iii) Other financial liabilities	622.03	531.69
(b) Lease Liability	45.18	31.85
(c) Other Current Liabilities	178.04	95.90
(d) Provisions	240.52	207.51
(e) Current Tax Liabilities (Net)	77.59	119.09
	3,053.69	**3,335.14**
TOTAL EQUITY AND LIABILITIES	**14,077.75**	**13,619.27**

Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April 2021.

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MAKERS LABORATORIES LIMITED MUMBAI-67

MAKERS LABORATORIES LIMITED.

Unaudited Consolidated Cash Flow Statement for the half year ended September 30,2021

		Sept'21 Rs in lacs
A.	**Cash Flow from Operating Activities**	
	1) Net profit before taxation and extraordinary item	991.01
	Adjustments for :	
	Depreciation	202.62
	Bad debts w/off	0.53
	(Profit)/Loss on financial assets measured at FVTPL	(0.38)
	Profit on Sale of Mutual Funds	(6.82)
	Unwinding of Lease rent Income	(0.22)
	Unwinding of Lease rent Expenses	0.08
	Property,Plant and Equipment Written Off	3.09
	Interest income	(17.94)
	Interest expense	93.52
		1,265.49
	2) Operating profit before working capital changes	
	Decrease / (Increase) in Inventories	71.50
	Decrease / (Increase) in Trade Receivables	(217.75)
	Decrease / (Increase) in Other Financial Assets	(94.23)
	Decrease / (Increase) in Other Assets	(329.11)
	Increase / (Decrease) in Trade Payables	(388.67)
	Increase / (Decrease) in Other Financial Liabilities	76.10
	Increase / (Decrease) in Other Liabilities	257.14
	Increase / (Decrease) in Provisions	15.27
	3) Cash generated from operation	655.75
	Income tax paid (net)	(286.09)
	Net cash from operating activities	369.66
B.	**Cash Flow from Investing Activities**	
	Purchase of Property, Plant & Equipment including capital WIP	(175.58)
	Sale of Investments	167.86
	Sale of Mutual Funds	70.87
	Movement in other bank balances	(563.25)
	Interest received	14.17
	Net cash from / (used) in investing activities	(485.93)
C.	**Cash Flow from Financing Activities**	
	Interest paid	(82.54)
	Proceeds from short term borrowing (Net)	(103.43)
	Proceeds from Non-Current borrowing	-
	Repayment from Non-Current borrowing	(108.75)
	Payment of lease Liability	
	- Interest	(11.91)
	- Principal	(4.34)
	Dividend Paid	(62.94)
	Net cash from (used in) financing activities	**(373.91)**
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	(490.18)
	Cash and cash equivalents at beginning of year	527.32
	Cash and cash equivalents at end of year	**37.14**
	Components of Cash & Cash equivalents :	
	Cash and cheques on hand	2.28
	Balance with banks	34.86
		37.14

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MAKERS LABORATORIES LIMITED MUMBAI-67

Notes:

1 The above unaudited Consolidated financial results, as reviewed by the Audit Committee, were approved and taken on record by the Board of Directors in their meeting held on November 10,2021.

2 The statutory auditors have carried out a limited review of the financial results and have issued their unmodified report thereon.

3 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.

4 The acquisition of Resonance Specialties Limited has resulted in the company preparing consolidated financial statements for the first time in Dec 2020. Therefore the comparative figures for the quarter and half year ended September 30, 2020 were not prepared and accordingly are not presented in the results for the quarter and half year ended September 30, 2021.Similarly, the comparative period cash flow for the six months ended September 30,2020 are not presented.

5 In order to align the depreciation of the entire group to straight line method(SLM), the group has changed the method of depreciation of Property,Plant and Equipment which were hitherto depreciation on Written down value method to SLM. On account of this change being in the nature of estimates , the depreciation for the quarter ended September 2021 is lower by Rs. 25.58 lakhs and hence profit is higher by Rs. 25.58 lakhs and for the half year ended September 2021 is lower by Rs 53.25 lakhs and hence profit is higher by Rs. 53.25 Lakhs.

6 The Group has carried out assessment of impact of COVID-19 on its business operations and liquidity position and has taken into account all known events arising from the pandemic in the preparation of the consolidated financial results. The group will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

7 Pursuant to acquisition of Resonance, the group has two reportable segments viz. "Pharmaceutical" and " Chemical Manufacturing" as per Indian Accounting Standard "Operating Segment (Ind AS- 108). Segment information is given here in below:

Particulars	Quarter Ended September 30, 2021	Quarter Ended June 30, 2021	Half Year Ended September 30,2021	Year Ended March 31, 2021
Segment Revenue				
- Pharmaceutical	1,520.10	1,485.50	3,005.60	4,480.92
- Chemical Manufacturing	1,894.20	2,202.67	4,096.87	2,478.81
Segment Results - PBT				
- Pharmaceutical	64.58	34.11	98.69	(208.26)
- Chemical Manufacturing	434.20	458.12	892.32	478.73
Total PBT	498.78	492.23	991.01	270.47
Segment Assets				
- Pharmaceutical	5,927.70	5,969.48	5,927.70	5,667.18
- Chemical Manufacturing	8,150.05	7,871.51	8,150.05	7,952.09
Segment Liabilities				
- Pharmaceutical	3,041.74	3,175.61	3,041.74	2,947.00
- Chemical Manufacturing	1,653.89	1,599.13	1,653.89	2,015.05

8 Figures for the previous period have been regrouped / re-classified to confirm to the figures of the current period's classification.

By Order of the Board
For Makers Laboratories Limited

MAKERS LABORATORIES LIMITED MUMBAI

Saahil Parikh
Wholetime Director
(DIN 00400079)

Place : Mumbai,
Date : November 10,2021

FOR IDENTIFICATION NATVARLAL VEPARI & CO. Chartered Accountants MUMBAI

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of the Consolidated Financial Statements included in "Financial Statements" beginning on page 49

Accounting Ratios

Particulars	As at 31/03/2021
Basic EPS (Rs.)	2.74
Diluted EPS (Rs.)	2.74
Return on networth	2.49%
Net Asset Value per Equity Share (Rs.)	110.08
EBITDA (Rs. in lakhs)	906.64

The ratios have been computed as below:

Ratios	Computation
Basic EPS (Rs.)	Net profit attributable to Equity Shareholders / weighted average of common shares outstanding during the period.
Diluted EPS (Rs.)	Post adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares.
Return on networth	Profit attributable to Equity Shareholders/Net Worth
Net Asset Value per Equity Share (Rs.)	Net Worth/No. of Equity Shares subscribed and fully paid
EBITDA (Rs. in lakhs)	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortisation expense, as presented in the statement of profit and loss.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Statements in this report on Management discussion and analysis relating to the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based upon certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, selling prices, raw material costs and availability, changes in government regulations and tax structure, general economic developments in India and abroad, factors such as litigation, industrial relations and other unforeseen events. The Company assumes no responsibility in respect of forward looking statements made herein which may undergo changes in future on the basis of subsequent developments, information or events.

Financial Performance and Operations Review

Sales and other income for the financial year under report amounted to Rs. 4,482.54 lakhs as compared with Rs. 5,162.21 lakhs for the previous year, a de-growth of 13.17%.

Though the Profit before Interest, Depreciation and Taxation increased by 26.23% to Rs. 371.07 lakhs as compared to Rs. 293.96 lakhs in the previous year, the operations of the Company have resulted in a net loss of Rs. 161.66 lakhs as compared to a net loss of Rs. 12.38 lakhs in the previous financial year, due to higher depreciation and finance cost relating to new ophthalmic / eye drops manufacturing facility at GIDC, Naroda, Ahmedabad in the State of Gujarat which was commercialised in the financial year under report.

On a consolidated basis, sales and other income for the financial year under report amounted to Rs. 6,959.73 lakhs and Profit after tax amounted to Rs. 134.86 lakhs.

Our Company markets generic formulations which are mainly used by the dispensing doctors, nursing homes and hospitals. Due to repetitive lockdowns and other restrictions on movement of people imposed by several states as well as due to fear of getting infected with virus and conversion of several hospitals as dedicated covid-19 hospitals, the non-covid patient footfall reduced considerably at dispensaries, nursing homes and hospitals. Since medicines dispensed at these places is the main source of business for the Company's generics formulations, the reduced non-covid patient footfall at these places impacted the business of the Company throughout the financial year.

Apart from this, there was also a substantial increase in the prices of several key active pharmaceutical ingredients used in the Company's major selling generic formulations such as Paracetamol. Due to the price control regime, the increased raw material cost could not be passed on by the Company to its customers for several of its formulations. This also contributed in the reduction of margins in several products during the financial year under report.

During the year, the Company added few generic formulations in the market place as well as increased its geographical coverage through appointment of new distributors. The Company's new ophthalmic / eye drops manufacturing facility at GIDC, Naroda, Ahmedabad in the State of Gujarat, set up at a capital outlay of about Rs. 15 crores, dispatched its first commercial consignment in the month of February 2021 after completing all the necessary qualifications and validations of the manufacturing facility and the product(s). The commercialisation of this new manufacturing facility during year also substantially increased the Company's depreciation charges as well as finance cost on the borrowings made to finance this manufacturing facility.

During the year under report, the Company has started commercially manufacturing only few ophthalmic eye drops from this new manufacturing facility and that few other ophthalmic formulations are currently in the development stage.

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 that is hampering the growth of generic formulations market in the country.

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

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 of Directors.

Human Resources

Our Company continued to have cordial and harmonious relations with its employees at all levels. Company has adopted quality culture across the organisation in all line and staff functions at all the locations. The quality culture has helped the Company in achieving productivity improvement, cost reduction and waste elimination through employee involvement at all levels. Our Company had 134 permanent employees as at 31st March, 2021.

Overview of Our Results of our Operations

The following table sets forth select financial data from our restated statements of profit and loss for the Financial Years 2020-21 (on consolidated basis) and for the period ended September 30, 2020 :

(Rs. in lakhs)

Particulars	September 30, 2021		March 30, 2021	
	Rs. in lakhs	% of total income	Rs. in lakhs	% of total income
Income				
Revenue from operations	6,985.90	98.36%	6,864.11	98.63%
Other Income	116.57	1.64%	95.62	1.37%
Total Income	7,102.47	100.00%	6,959.73	100.00%
Expenditure				
Cost of materials consumed	1,791.36	25.22%	1,447.66	20.80%
Purchase of Stock-in-trade (*net of changes in inventories of finished goods / work-in-progress and stock-in-trade*)	1,229.60	17.31%	1,468.34	21.10%
Employee benefit expenses	616.83	8.68%	870.54	12.51%
Other expenses	2,181.23	30.71%	2,266.55	32.57%
Total Expenditure	5,819.02	81.93%	6,053.09	86.97%
Profit Before Depreciation, Interest and Tax	1,283.45	18.07%	906.64	13.03%

Particulars	September 30, 2021		March 30, 2021	
	Rs. in lakhs	% of total income	Rs. in lakhs	% of total income
Depreciation and amortisation expenses	202.62	2.85%	461.07	6.62%
Profit before interest and tax	1,080.83	15.22%	445.57	6.40%
Finance Costs	93.51	1.32%	175.10	2.52%
Profit before tax	987.32	13.90%	270.47	3.89%
Exceptional Items	3.69	0.05%	-	-
Profit before exceptional items and tax	991.01	13.95%	270.47	3.89%
Tax expenses	261.66	3.68%	135.61	1.95%
Profit after tax	729.35	10.27%	134.86	1.94%
Other comprehensive income	58.52		660.34	
Total comprehensive income	787.87		795.20	

The figures of FY 2021 cannot be compared with financials upto September 30, 2021 as the FY 2021 figures represent consolidated figures of the subsidiary company Resonance Specialities Limited for part of the FY i.e. w.e.f. December 11, 2020.

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Our Company and its Subsidiaries are subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business. There are no outstanding litigation involving our Company and/or our Subsidiaries with respect to

(i) *issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries/Promoters/Directors*
(ii) *material violations of statutory regulations by our Company and/or our Subsidiaries /Promoters/Directors*
(iii) *economic offences where proceedings have been initiated against our Company and/or our Subsidiaries/Promoters/Directors*
(iv) *any matters which if they result in an adverse outcome would materially and adversely affect operations or financial position of our Company and/or our Subsidiaries/ Promoters/Directors.*

For the purpose of point (iv) above, the Board of Directors had approved a materiality policy ('Materiality Policy'). As per the said policy the materiality threshold shall be calculated based on audited financial statements of the last audited financial year, and would mean event/ information where the value involved or the impact (i) exceeds 10% per cent of the consolidated gross turnover, or (ii) exceeds 10% per cent of the consolidated net worth; (whichever is lower).

MATERIAL DEVELOPMENTS

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, non-circumstances have arisen since March 31, 2021, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

- The Board of Directors of the Company has, at its meeting held on November 10, 2021, inter alia, considered and approved the raising of funds through issue of equity shares of face value of Rs. 10 each for an aggregate amount of up to1,475.09 lakhs on a rights basis to the eligible equity shareholders of the Company.

GOVERNMENT AND OTHER APPROVALS

Our Company is required to comply with the provisions of various laws and regulations and obtain approvals, registration, permits and licenses under them for conducting our operations. The requirements for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Our Company have obtained all the material consents, licenses, permissions, and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time.

No additional Government approval is required at this stage. Since there would be major changes in the facilities, including process flow, layout, air handling equipment etc., FDA permission would be required once the upgradation project is commissioned and inspection is carried out by the authorities.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

This Issue has been authorised by a resolution of our Board passed at its meeting held on November 10, 2021 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

The broad terms of the Rights Issue are as under :

a) Issue Size : Rs. 1,475.09 lakhs comprising of 9,83,396 Equity Shares of Rs. 10/- each at a price of Rs. 150/- per Equity Share
b) Issue Price : Rs. 150/- per Equity Share (including premium of Rs. 140/- per Equity Share)
c) Entitlement Ratio: 1 : 5 i.e. 1 Equity Share for every 5 Equity Shares held by eligible Equity Shareholders of our Company as on Record Date

Our Company has received in-principle approvals from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to their letter Ref : [●] dated [●].

Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars. Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "Terms of the Issue" on page 166.

Prohibition by SEBI

Our Company, our Promoter, our Promoter Group or our Directors have not been and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Our Company, our Promoter, our Promoter Group or our Directors are not debarred from accessing the capital market by the SEBI.

The companies with which our Promoter or our Directors are associated as promoter or directors have not been debarred from accessing the capital market by SEBI.

Neither our Promoter nor our Directors are declared as Fugitive Economic Offenders.

Association of our Directors with securities market

None of our Directors are associated with the securities market.

Prohibition by RBI

Neither our Company nor our Promoters nor Directors have been or are identified as Wilful Defaulters.

Eligibility for this Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE Limited. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the Stock Exchanges and have received their in-principle approvals for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for this Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of BSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

SEBI vide its circular bearing number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 has granted certain relaxations with respect to rights issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the rights issue size for filing of the Draft Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has further been increased to Rs. 50 crores. Since the size of this Issue falls under the threshold, the Draft Letter of Offer had been filed with BSE and will not be filed with SEBI.

Disclaimer Clause of BSE

BSE Limited ("the Exchange") has given vide its letter dated [●], permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

(i) Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
(ii) Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
(iii) Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager(s) accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented to our Company and the Lead Manager(s) and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Caution:

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorised information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Bengaluru, Karnataka, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of this Issue is BSE.

Selling Restrictions

The distribution of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions.
This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

The Rights Equity Shares and Rights Entitlements may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Forms, the Rights Entitlement Letter or any offering materials or advertisements in connection with the Rights Equity Shares or Rights Entitlements may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. No action has been or will be taken to permit this Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Forms, the Rights Entitlement Letter or any other material relating to our Company, the Rights Equity Shares or Rights Entitlements in any jurisdiction, where any action would be required in such jurisdiction for that purpose.

Receipt of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Forms and the Rights Entitlement Letter will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer.

Investors are advised to consult their legal counsel prior to applying for the Rights Entitlements and Rights Equity Shares or accepting any provisional allotment of Rights Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Rights Equity Shares or Rights Entitlements.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS DRAFT LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS DRAFT LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS AS DESCRIBED UNDER "SELLING RESTRICTIONS" ON PAGE 163.

Filing

SEBI vide its circular bearing number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 has granted certain relaxations with respect to rights issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the rights issue size for filing of the Draft Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has further been increased to Rs. 50 crores. Since the size of this Issue falls under the threshold, the Draft Letter of Offer had been filed with BSE and will not be filed with SEBI.

This Letter of Offer is being filed with the Designated Stock Exchange i.e. BSE, and pursuant to the proviso to Regulation 3 of the SEBI ICDR Regulations, the Letter of Offer is submitted to SEBI for information and dissemination on the SEBI's website.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders' Relationship Committee which currently comprises of three members viz. Mr. R K P Verma, Mr. Vishal Jain and Mr. Sahil Parikh. The terms of reference, inter alia, include redressal of investors'/ shareholder'/ security holders' complaints pertaining to transfer of securities, non-receipt of annual reports, non-receipt of declared dividend, issue of duplicate certificates, and to carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory modification, amendment or modifications as may be applicable. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

The Investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post Issue related matter. All grievances relating to the ASBA process or RWAP may be addressed to the Registrar, with a copy to the SCSBs(in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e-acknowledgement (in case of RWAP process). For details on the ASBA process and RWAP process, see "Terms of the Issue" on page 16. For contact details of Registrar to the Issue and our Company Secretary and Compliance Officer, please refer page 23 under the section "General Information".

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar to the Issue at (www.linkintime.co.in). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91(22) 4918 6200.

ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

Overview

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

Important:

1. **Dispatch and availability of Issue materials:**

   In accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

   Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

   (i) our Company at www.makerslabs.com;
   (ii) the Registrar at www.linkintime.co.in
   (iii) the Lead Manager, i.e., Arihant Capital Markets Limited at www.arihantcapital.com;
   (iv) the Stock Exchanges at www.bseindia.com; and
   (v) the Registrar's web-based application platform at www.linkintime.co.in ("R-WAP").

   To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit www.linkintime.co.in.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. www.linkintime.co.in)) by entering their DP ID and Client ID or Folio Number and PAN (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.makerslabs.com)

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation, our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction outside India, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or its affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person’s jurisdiction and India, without requirement for our

Company or our affiliates or the Lead Manager or its affiliates to make any filing or registration.

2. **Facilities for Application in this Issue:**

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" on Page 171.

In accordance with the SEBI Rights Issue Circular, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Equity Shares may also apply in this Issue during the Issue Period.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such 295 SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Investors are also advised to ensure that the Application Form is correctly filled up stating therein: (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors)

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Relaxation Circular through R-WAP) shall be treated as incomplete and shall be rejected. For details see "Terms of the Issue - Grounds for Technical Rejection" on page 194. Our Company, the Lead Managers, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process" beginning on page 186. Options available to the Eligible Equity Shareholders The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Equity Shares to the full extent of its Rights Entitlements; or

(ii) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing theother part); or

(iii) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

(iv) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or

(v) renounce its Rights Entitlements in full

(a) **ASBA facility:**

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Managers, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do’s for Investors applying through ASBA:

a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.

b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don’ts for Investors applying through ASBA:

a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

b) Do not send your physical Application to the Lead Managers, the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

d) Do not submit Application Form using third party ASBA account.

(b) **Registrar’s Web-based Application Platform (R-WAP)**:

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, a separate web-based application platform, i.e., the RWAP facility (accessible at www.linkintime.co.in), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "RISK FACTORS - ***THE RWAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS" ON PAGE 21.***

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (www.linkintime.co.in),) or call helpline number +91 (22) 4918 6200 .

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circular through R-WAP) shall be treated as incomplete and shall be rejected. For details see "Grounds for Technical Rejection" appearing on Page 194 of this Draft Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "Application on Plain Paper under ASBA process" appearing on Page 186 of this Letter of Offer.

3. **Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●] – Rights Issue Demat Account") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their

Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

4. **Application by Eligible Equity Shareholders holding Equity Shares in physical form:**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

In accordance with the SEBI Rights Issue Circulars (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

i the Eligible Equity Shareholders apply only through R-WAP;
ii the Eligible Equity Shareholders are residents;
iii the Eligible Equity Shareholders are not making payment from non-resident account;
iv the Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
v the Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery, to enable process of credit of Rights Equity Shares in such demat account.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "**Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form**" and "**Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner**" on pages 190 and 200, respectively.

5. **Other important links and helpline:**

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: +91- 022–49186200

- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: makerslab.rights@linkintime.co.in
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: makerslab.rights@linkintime.co.in
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders : by email to makerslab.rights@linkintime.co.in

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter. Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and one certificate number. The link for the same shall also be available on the website of our Company (i.e. www.makerslabs.com)

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., www.linkintime.co.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying through R-WAP (an additional optional facility).

For details of Application through R-WAP by the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, see "- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" and "- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner" on pages 190 and 200, respectively.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer and the Application Form and other applicable Issue materials only to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. This Draft Letter of Offer, Letter of

Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, www.linkintime.co.in, our Company at www.makerslabs.com and the Lead Manager at www.arihantcapital.com through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange websites.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations.

If this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of Rs. 10/-.

Issue Price

Each Rights Equity Share is being offered at a price of Rs. 150/- per Rights Equity Share, including a premium of Rs. 140/- per Equity Share. Entire amount of Rs. 150/- per Equity Share is payable on application.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 1 Rights Equity Share for every 5 Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat accounts either in full or in part. The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, see "- Procedure for Renunciation of Rights Entitlements" on page 185. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, [●] – Rights Issue Demat Account") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after entering in their respective details along with other security control measures implemented thereat

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On-Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see "- Procedure for Renunciation of Rights Entitlements – On Market Renunciation" and "- Procedure for Renunciation of Rights Entitlements – Off Market Renunciation" on page 185.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Terms of Payment

The Equity Shares are offered at a price of Rs. 150/- per Equity Share including premium of Rs. 140/- per Equity Share. Entire amount of Rs. 150/- per Equity Share is payable on application.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1 Rights Equity Share for every 5 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 5 Equity Shares or is not in the multiple of 5 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

The Eligible Equity Shareholders holding less than 5 Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, shareholders with zero entitlement cannot renounce the same in favour of third parties.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall, upon being fully paid up, rank *pari passu* with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid-up equity capital of our Company.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter dated [●]. Our Company will apply to BSE for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 506919) under the ISIN: INE987A01010. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the existing ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within eight days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see "Subscription to the Issue by our Promoter and Promoter Group" on page 72.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, Rights Equity Shareholders shall have the following rights in proportion to amount paid-up on the Rights Equity Shares:

a. The right to receive dividend, if declared;
b. The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;
c. The right to receive surplus on liquidation;
d. The right to free transferability of Rights Equity Shares;
e. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed under "Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner" on page 200; and
f. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send, only through email, the Abridged Letter of Offer, the Application Form and other applicable Issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. The Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language national daily newspaper with wide circulation (Marathi being the regional language of Maharashtra, where our Registered Office is situated).

This Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 read with Foreign Exchange (Non-Debt Instruments) Regulations, 2019, issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at Link Intime India Private Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India.

The Abridged Letter of Offer, the Application Form and other applicable Issue materials shall be sent to the email address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company. Investors can access this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that only resident Investors can submit an Application using the R-WAP web-based application platform.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue. The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to makerslab.rights@linkintime.co.in .

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" on page 190.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address and to the registered address, where no email id is provided, of the Eligible Equity Shareholders who have provided an Indian address to our Company. The Application Form along with the Abridged Letter of Offer and other applicable Issue material shall be sent through email / registered post at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or to the registered address, where no email id is provided, if they have provided an Indian address to our Company.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.linkintime.co.in . Investors can access this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

(i) our Company at www.makerslab.com
(ii) the Registrar at www.linkintime.co.in
(iii) the Lead Manager at www.arihantcapital.com
(iv) the Stock Exchanges at www.bseindia.com; and
(v) the Web based Platform R-WAP at www.linkintime.co.in

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.makerslabs.com).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected, except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through Web based Platform RWAP.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and Web Based Platform R-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application. For details see "- Grounds for Technical Rejection" on page 194. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "Application on Plain Paper under ASBA process" on page 186.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
(ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
(iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
(v) renounce its Rights Entitlements in full.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" and "Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner" on pages 190 and 200, respectively.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Procedure for Application through the web-based platform R-WAP.

Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Manager shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, see "Risk Factors - The R-WAP payment mechanism facility proposed to be used for this issue may be exposed to risks, including risks associated with payment gateways" on page 21.

Set out below is the procedure followed using the R-WAP:

(a) Resident Investors should visit R-WAP (accessible at www.linkintime.co.in) and fill the online Application Form available on R-WAP in electronic mode. Please ensure to provide correct DP ID, Client ID or Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form.
(b) Non-resident Investors are not eligible to apply in this Issue through R-WAP.
(c) The Investors should ensure that Application process is verified through the email / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Rights Equity Shares to be applied for. Please note that the Application Money will be determined based on number of Rights Equity Shares applied for.
(d) The Investors who are Renouncees should select the category of 'Renouncee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Rights Equity Shares to be applied for.
(e) Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020.
(f) The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.
(g) Verification in respect of Application through Investors' own bank account, shall be done through the latest beneficiary position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.
(h) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Escrow Collection Bank.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB or not using R-WAP are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "Application on Plain Paper under ASBA process" on page 186.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights

Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "- Basis of Allotment" on page 198.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares. Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process or using the R-WAP.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

(a) **On Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On-Market Renunciation shall take place only during the Renunciation Period for On-Market

Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN *** and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On-Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) **Off Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being MAKERS LABORATORIES LIMITED;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total amount paid at the rate of Rs. 150/- per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. An approval obtained from the RBI, where a successful Application will result in the aggregate shareholding or total voting rights of the Eligible Equity Shareholder (along with persons acting in concert) in our Company, to be 26% or more of the post-issue paid-up equity share capital of our Company. Eligible Equity Shareholders must send a copy of the approval from any regulatory authority, as may be required, or obtained from the RBI to the Registrar by email at makerslab.rights@linkintime.co.in and
17. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

    *I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the US Securities Act ("**Regulations S**") except for these purposes, U.S except for these purposes, U.S. persons include persons who would otherwise have been excluded from such term solely by virtue of Rule 902(K)(1)(VIII)(B) or Rule 902(K)(2)(I)), except pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the US securities Act.*

    *I/ we understand the Rights Equity Shares referred to in this application are being offered and sold (i) in offshore transactions outside the United States to non-U.S. Persons in compliance with Regulation S to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and (ii) in the United States to U.S. Persons who are "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) ("**U.S. QIBs**") and are also "qualified purchasers" (as defined in the Investment Company Act of 1940, as amended and the related rules* *(the "**Investment Company Act**") pursuant to applicable exemptions under the US Securities Act and the Investment Company Act. I/we understand that the Company has not been and will not be registered under the Investment Company Act and I/we will not be entitled to the benefits of the Investment Company Act. I/we understand that the Company is relying on the exemption under Section 4(a)(2) of the US Securities Act and exception under Section 3(c)(7) of the Investment Company Act. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States, except in each case to persons in the United States who are U.S.QIBs and are also Qualified Purchasers. I/ we confirm that I am/ we are (a)(i) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws or (ii) a U.S. QIB and also a Qualified Purchaser in the United States, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States (other than U.S. QIBs who are also Qualified Purchasers) or is outside of India and the United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Mode of payment

All payments against the Application Forms shall be made only through (i) ASBA facility; or (ii) internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

For details of mode of payment in case of Application through R-WAP, see "Procedure for Application through the web-based platform R-WAP" on page 183.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights

Equity Shares in "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" and "Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner" on pages 190 and 200, respectively.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.linkintime.co.in.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date. Alternatively the eligible equity shareholders can access the website of the Registrar at www.linkintime.co.in and enter the demat account details like DP Id, Client id, PAN etc. and upload the client master list in the web link

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The Eligible Equity Shareholders can access the Application Form from:

- the website of the Registrar (www.linkintime.co.in);
- our Company (www.makerslabs.com);
- the Lead Manager at (www.arihantcapital.com);
- the Stock Exchanges (at www.bseindia.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. ***) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company at www.makerslabls.com

(d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) fill the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat. Further, (a) Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, may also apply in this Issue during the Issue Period by filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat, on or before the Issue Closing Date. Such resident Eligible Equity Shareholders may be required to submit address, email address, contact details, copy of PAN, for verification of their Application. Further, such resident Eligible Equity Shareholder can:

i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without

renouncing the other part); and

iii) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, see *"Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner"* on page 200.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH COMPANY'S EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 85.

General instructions for Investors

(a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
(b) In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" and "Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner" on pages 190 and 200, respectively.
(c) Please read the instructions on the Application Form sent to you.
(d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
(e) Application should be made only through the ASBA facility or using R-WAP.
(f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
(g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "Application on Plain Paper under ASBA process" on page 186.
(h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.
(i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

(j) In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.
(k) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
(l) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.
(m) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equivalent to the Application Money in the ASBA Account mentioned in the Application Form.
(n) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
(o) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the R-WAP facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
(p) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
(q) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
(r) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
(s) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate
(t) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
(u) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a

separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

(v) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(w) Applicants must submit a copy of the approval obtained from any regulatory authority, as may be required, or obtained from the RBI with the Application and send a copy of such approval to the Registrar by email to ***, in case the Application and the resultant Rights Equity Shares will result in the aggregate shareholding or total voting rights of the Applicant (along with persons acting in concert) in our Company, to be in excess of 26% of the post-issue paid-up equity share capital of our Company.

(x) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

(a) Ensure that the Application Form and necessary details are filled in.

(b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

(c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.

(d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected.

Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

(a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(d) Do not pay the Application Money in cash, by money order, pay order or postal order.

(e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

(a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.

(e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
(g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Do's for Investors applying through R-WAP :

(a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.
(b) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Issue price of Rights Equity Shares}) available in the bank account through which payment is made using the R-WAP .
(c) Ensure that you make the payment towards your application through your bank account only and not use any third-party bank account for making the payment
(d) Ensure that you receive a confirmation email on successful transfer of funds.
(e) Ensure you have filled in correct details of PAN, folio number, DP ID and Client ID, as applicable, and all such other details as may be required.
(f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don'ts for Investors applying through ASBA:

(a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
(b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
(c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Don'ts for Investors applying through R-WAP:

(a) Do not apply from bank account of third parties.
(b) Do not apply if you are a non-resident Investor.
(c) Do not apply from non-resident account.
(d) Do not apply if you are not a retail individual investor

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
(b) Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
(c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
(d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
(e) Account holder not signing the Application or declaration mentioned therein.

(f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
(g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
(h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
(i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
(j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
(k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.
(l) Physical Application Forms not duly signed by the sole or joint Investors.
(m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
(n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
(o) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (unless the Application Form 226 is submitted by a U.S. QIB who is also a Qualified Purchaser in the United States) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws or (b) a U.S. QIB who is also a Qualified Purchaser in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
(p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
(q) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds):

(a) Applications by non-resident Investors.
(b) Applications by non-retail investors
(c) Payment from third party bank accounts.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP PROCESS (AVAILABLE ONLY FOR RESIDENT INVESTORS), TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN

WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms s are liable to be rejected.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager.

   Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer and the Application

Form and other applicable Issue materials shall be sent to their email addresses if they have provided their Indian address to our Company. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.
2. In case Rights Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "- *Procedure for Applications by Mutual Funds*" on page 205.

In cases where multiple Application Forms are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in "*Subscription to the Issue by our Promoter and Promoter Group*" on page 13.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is, [●] *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, "*- Basis of Allotment*" on page 198.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to Registrars to the Issue in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.* by *** to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

For details, see "*Issue Schedule*" on page 27.

Our Board may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee (s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders who get zero entitlement on account of ignoring the fractional entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made at the sole discretion of our Board or any committee of our Board but in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
(e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will email Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner

In case of allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

(a) the Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;
(b) within 6 Months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;
(c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;
(d) In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchanges at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, etc. to such Eligible Equity Shareholders to remit such proceeds.

    Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchanges after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the amount paid by such Eligible Equity Shareholders at the time of subscribing such shares;
(e) Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updation of details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares;
(f) After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges; and

(g) If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law.
(h) In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

Notes:

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.
2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.
3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares on the Rights Equity Shares, as permitted under applicable laws.
4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).
5. **The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, *etc.*, in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.**

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below :

(a) Unblocking amounts blocked using ASBA facility.
(b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the

MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(c) National Electronic Fund Transfer ("NEFT") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("IFSC Code"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

(e) RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

(f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed agreement with NSDL and CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc*.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the
6. Applicant's depository account.
7. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
8. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in "*- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" and "*- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form*" on pages 190 and 200, respectively.

Procedure for Applications by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paidup equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least Rs. 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

Payment by Stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilisation of Issue Proceeds

Our Board declares that:

(a) All monies received out of this Issue shall be transferred to a separate bank account;
(b) Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
(c) Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the RWAP process.
7. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue of the Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than 8 days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act.

Important

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "**Makers - Rights Issue**" on the envelope and postmarked in India or in the email) to the Registrar at the following address:

   Link Intime India Private Limited
   C 101, 247 Park, L.B.S.Marg,
   Vikhroli (West),
   Mumbai – 400083, Maharashtra, India

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at www.linkintime.co.in . Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are: +91-022 – 49186200

This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2017 ("**FDI Circular 2017**"), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DPIIT, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue. The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all working days from the date of the Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated [●] between our Company and the Lead Manager
2. Registrar Agreement dated [●] between our Company and the Registrar to the Issue
3. Escrow Agreement dated [●] among our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue
4. Lease Agreement dated [●] between our Company and [●] towards the lease of our factory premises at Naroda, Ahmedabad
5. Lease Agreement dated [●] between our Company and [●] towards the lease of warehouse-cum-office at Naroda, Ahmedabad

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association.
2. Certificate of incorporation of our Company and certificates of incorporation consequent upon change in name of our Company.
3. Resolution of our Board dated November 10, 2021 in relation to this Issue and other related matters.
4. Consents of our Directors, Company Secretary and Compliance Officer, Statutory Auditors, the Lead Manager, Legal Advisor to the Issue and the Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities.
5. Consent letter dated [●] issued by [●], Chartered Accountants to include their name as "expert" in this Letter of Offer.
6. The reports of the Statutory Auditors, in relation to the Audited Financial Statements and Limited Review Financial Information for the FY 2020-21 and for the period ended September 30, 2021, respectively.
7. Annual Reports of our Company for Financial Years 2020-21, 2019-20 and 2018-19
8. Statement of Tax Benefits dated January 6, 2022 from Natvarlal Vepari & Co., Chartered Accountants
9. Letter of Offer dated January 13, 2000 in respect of the rights issue of Equity Shares made during the year 2000.
10. In-principle listing approval dated [●] issued by BSE

DECLARATION

We certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act and the rules made thereunder or regulations issued thereunder, as the case maybe. We further certify that, all the legal requirements connected with the said Issue as also the regulations, rules, guidelines, instructions, etc. issued by the SEBI, Government of India and any other competent authority in this behalf have been duly complied with.

We hereby certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY

Raj Kamal Prasad Verma **Chairman / Independent Director**	**Vishal Babulal Jain** **Independent Director**
Dipti Chinubhai Shah **Independent Director**	**Prashant Premchand Godha** **Non-independent Director**
Saahil Umesh Parikh **Wholetime Director**	**Nilesh Jain** **Wholetime Director**

Sandeep Kadam,
Chief Financial Officer

Place : Mumbai
Date : [●]