

MERCURY LABORATORIES LIMITED

Date: September 01, 2021

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

Dear Sir/Madam,

Subject: Annual Report under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')
Scrip Code: 538964

The 40th Annual General Meeting ("AGM") of the Company will be held on **Tuesday September 28, 2021** at 11.30 a.m. through Video Conferencing / Other Audio Visual Means.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2020-21 which is being sent through electronic mode to the Members.

Kindly take the above information on your record.

Thanking you,

Yours faithfully,

For Mercury Laboratories Limited


Kinjal Khandelwal
Company Secretary



Encl.: As above

Head Office & Factory - 1 :

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

Factory - 2 :

Halol-Vadodara Road, Vill. : Jarod,
Vadodara - 391 510. Ph. : 02668 274312.

Regd. Office :

1st Floor 18, Shreeji Bhuvan, 51, Mangaldas Road,
Princess Street, Mumbai - 400 002. Ph. : 022 66372841.
Fax : 022 2201 5441. E-mail : secretarial@mercurylabs.com

40th ANNUAL REPORT 2020-21



MERCURY LABORATORIES LIMITED

WHERE YOUR WELL - BEING MATTERS

An ISO 9001 : 2015 Company

BOARD OF DIRECTORS

Mr. Rajendra R Shah	:	Managing Director
Mr. Dilip R Shah	:	Director
Mr. Divyakant R Zaveri	:	Chairman & Independent Director
Ms. Poomima D Karvat	:	Independent Director (upto May 30, 2020)
Mr. Bharat D Mehta	:	Independent Director
Mr. Paresh Mistry	:	Director
Ms. Janki R Shah	:	Director (w.e.f. February 05, 2020)

KEY MANAGERIAL PERSONNEL

Enu Khandelwal	:	Chief Financial Officer (upto June 22, 2021)
Kinjal Khandelwal	:	Company Secretary (w.e.f. July 29, 2019)

BANKERS : HDFC BANK LIMITED

STATUTORY AUDITORS : R. J. Shah & Associates
Chartered Accountants
D-408, 5th Floor, Aviskar Complex,
Old Padra Road, Vadodara - 390 015.

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

CORPORATE IDENTIFICATION NO.: L74239MH1982PLC026341

WEBSITE : www.mercurylabs.com

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

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

2/13-14, Gorwa Industrial Estate,
Gorwa Road, Vadodara - 390 016
Telephone : 2280180, 2280181
P. Box No. : 3001
E-mail : mlbrd@mercurylabs.com

UNIT No. 2

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

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ABOUT COMPANY

For more than 6 decades, we have been at the forefront of formulating, developing, marketing and distributing safe, innovative and cost-effective pharmaceuticals that help to improve the quality of life of patients. In so doing, we have delivered long-term, profitable returns to our investors, value to our partners and rewarding career to our employees. We are mainly dedicated to Mother & Child Healthcare.

We have state of the art modern manufacturing facility spread in 435600 sq. ft. (40,468 sq. mt.) of land. The technology delivers products like of international standards and specifications.

The expertise of skilled and professional manpower ensures that our customers get new products & packaging as per need of their country and regulatory standards. At present, our facilities are up to the mark of the international standards and quality. We have separate manufacturing units for Tablets, Oral Liquids and Injections, small volume Parenteral & Ophthalmic Preparation.

Mercury's manufacturing facilities is designed, equipped and operated to deliver high quality products within defined cost and delivery schedules. These manufacturing facilities have flexibility to operate in various dosage forms and wide range of batch sizes.

We have our reputed presence in more than 25 countries directly, while in more than 15 countries indirectly and also present in more than 3 continents, our major brands are K-win, Gravidol, T-stat, Merizyme, K-stat, Promolact, Ovaryl etc.



Managing Director's Speech

At the outset, I hope you and your family are safe. This has been a very challenging year for all of us and our resilience has been tested like never before. I must begin by thanking all our stakeholders, i.e. employees, customers, business partners and investors for their continued support. The Covid-19 pandemic has given rise to newer ways of doing business and accelerated the pace of digitalisation, with an increased focus on sustainability and resilience. In this context, keeping employees safe, ensuring agile servicing of customer demand and robust operating cash flows were the three key priorities we set for ourselves for FY 2020-21.

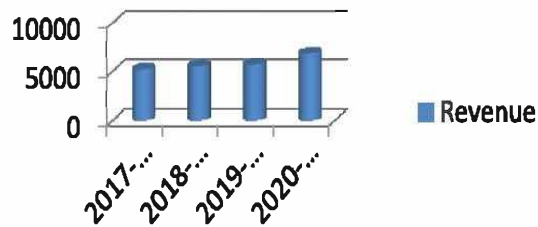
On behalf of the Board, I would like to thank our customers and shareholders for their continued support, and our employees for their exceptional work and commitment. I look forward to our continued success in achieving our goals and delivering strong performance.

It is my pleasure to report that Mercury Laboratories delivered another year of solid growth. This is especially commendable as our internal targets set well before the COVID-19 outbreak & were realised despite the economic and social challenges triggered by the pandemic.

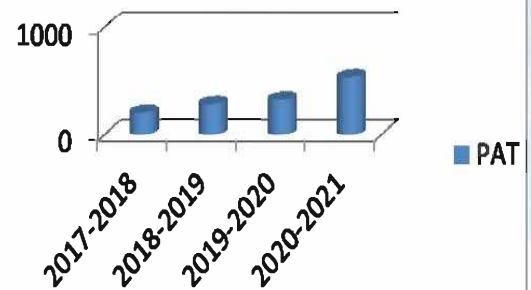
Financial highlight's

References	2017-2018	2018-2019	2019-2020	2020-2021
Revenue	5240.46	5552.1	5726.91	6860.15
EBITDA	483.73	676.64	701.54	1047.1
EBIT	245.59	405.05	432.9	790.89
PAT	201.33	283.61	322.81	533.75
EPS	16.78	23.63	26.9	44.48

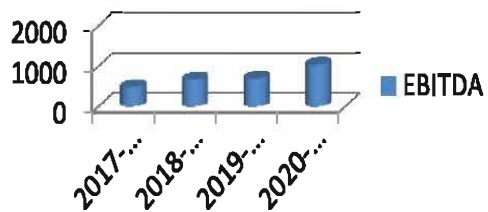
Revenue



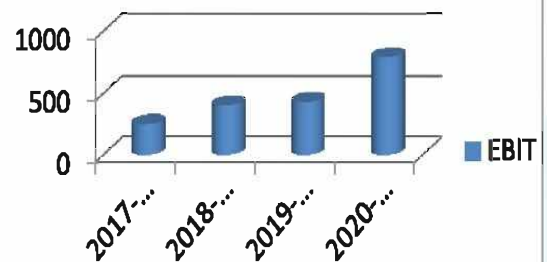
PAT



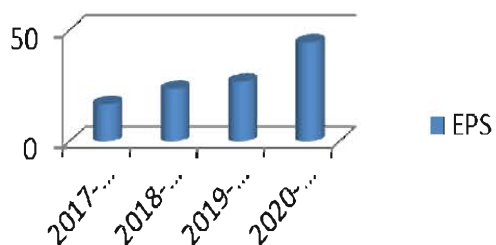
EBITDA



EBIT



EPS



Composition of Board



- Executive Director
- Non-executive Director
- Independent Director

Composition of Board



Mr Rajendra R shah, who is managing Director of Mercury Laboratories Ltd, he provides leadership and strategic guidance to the company in addition to supervising functional-heads of marketing, finance accounts, regulatory compliance etc including overall management & administration of the company. Given the profile of Mr. Rajendra R Shah , it is imperative that he is appointed as Managing Director.



Mr. Dilip R Shah has done his Bachelors in Pharmacy and Master of Business Administration. He is associated with the Company since its inception. Having expertise in the field of Business Administration, he looks after marketing, finance and overall administrative functions.



Mr Divyakant Zaveri is Independent Director and Chairman of the Board, he is having vast and varied experience in the Financial matters as well as secretarial matters of more than 30 years and has served many reputed companies in his past



Ms Janki Shah is Non-Executive director of your Company she has done Master of Pharmacy in Pharmacology from St. Johns University, School of Pharmacy New York. She did her Bachelor of Pharmaceutical Science from Pune University, Sinhgad College of Pharmacy. Pune. She had around 5 years of experience in Management, leadership and client relationships. She had excellent administrative experience and highly organized to keep multiple orders straight and on time. She utilizes extensive knowledge of business administration and economics to achieve higher success.



Mr. Paresh J Mistry, had been working with Company since 1994 and presently he is Non –Executive director as well as Chairman of our Stake holder Relationship Committee occupying position of Purchase Manager, he has done his Bachelors in Commerce. He also completed Industrial Purchasing & Material Management. He did Master of Business Administration in 2010. He is associated with the Company since 1994. Having expertise in the field of Business Management, he looks after marketing, purchase, export and overall administration of the Company.



Mr Bharat D Mehta is Independent Director and Chairman of Nomination Remuneration Committee, He has done Bachelor of Commerce , Master in Social Work and also a Law Graduate and possesses wide and varied Experience in the field of Accounts, Administration and Management

KEY MANAGERIAL PERSONNEL



Ms Enu Khandelwal has been appointed CFO of the Company since 07.08.2020 is a young dynamic chartered accountant and MBA finance from International Institute of Professional Studies, Indore. She has around 8 years of experience in management field. She has been looking after finance vertical at large.



Ms Kinjal Khandelwal is Company Secretary of the Company appointed since 29.07.2019 in the Company along with CS qualification she has done Bachelor of Laws as well as Bachelors of Commerce from Maharaja Sayajirao University, she is been looking after all the secretarial, legal part of the company

NOTICE

NOTICE is hereby given that the Fortieth (40th) Annual General Meeting (AGM) of Mercury Laboratories Limited will be held on Tuesday, September 28, 2021 at 11:30 A.M. Indian Standard Time (IST) through Video Conferencing / Other Audio Visual Means ("VC/OAVM") facility to transact the following businesses:

Ordinary Businesses:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2021 including Balance Sheet as at March 31, 2021, the Statement of Profit and Loss Account and Cash Flow Statement for the Financial Year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm payment of Interim Dividend of INR 1.50/- per equity share of INR 10/- each and to declare a Final Dividend of INR 2/- per equity share of INR 10/- each for the Financial Year ended March 31, 2021
3. To appoint a Director in place of Mr. Paresh Mistry (DIN: 07893654), Non-Executive Non-Independent Director who retires by rotation and being eligible, offers himself for re-appointment.

Special Businesses:**4. Approval for Payment of Remuneration to Mr. Paresh J Mistry, Non- Executive Directors**

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

"RESOLVED THAT pursuant to the provisions of Regulation 17(6)(ca) and other applicable regulations of Listing Regulations as amended from time to time, Section 197, 198, 188(1)(f) and other applicable provisions of the Companies Act, 2013 including any statutory modifications(s) or re-enactment(s) thereof for the time being in force, the Consent of the members be and is hereby accorded for the appointment of Mr. Paresh J Mistry, Director of the Company to the place of profit being office of Purchase Manager and for the payment of remuneration not exceeding INR 30,00,000 per annum to Paresh J Mistry, Director of the Company who is Non-Executive Director to whom the Company is paying remuneration for holding position of purchase manager, in excess of fifty percent of the total remuneration payable to all Non-executive Directors of the Company and authorize the Board of Directors, may in its absolute discretion, fix, vary, alter the actual remuneration paid to Mr. Paresh J Mistry, Director of the Company within overall remuneration ceiling approved.

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

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

5. Ratification of Remuneration payable to the Cost Auditor for Financial Year 2021-22

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

"RESOLVED THAT, pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s. V. M. Patel & Associates, Cost Accountants (Firm Registration No. 101519), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2022 amounting to INR 43,000 (Rupees Forty Three Thousand Only) plus applicable taxes if any & reimbursement of out of pocket expenses be and is hereby ratified and approved.

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

6. Inviting / Acceptance / Renewal of Deposits from Members under Section 73 of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such conditions, approvals, permissions, as may be necessary, consent of the Members of the Company be and is hereby accorded to invite/ accept/ renew from time to time unsecured/secured deposit on such terms and conditions in accordance with applicable provisions of the Companies Act, 2013 up to permissible limits and subject to fulfillment of applicable terms and conditions as prescribed under the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do such acts, deeds, things and matters as the Board of Directors may in its absolute discretion consider necessary or appropriate for such invitation/ acceptance/renewal of deposits by the Company."

Date: May 27, 2021

Place: Vadodara

By order of Board of Directors

Kinjal Khandelwal
Company Secretary

NOTES

- a. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), setting out the material facts with respect to the Special Business set out in the Notice is annexed hereto and forms part of this Notice. The Board of Directors of the Company considered that the special business under Item Nos. 4 to 6, being considered unavoidable, be transacted at the 40th AGM of the Company.
- b. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
- c. The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2021 to September 28, 2021 (both days inclusive) for the purpose of determining the names of members eligible for dividend on equity shares, if declared at the AGM.
- d. Link Intime India Private Limited is the Registrar and Share Transfer Agents of the Company. Shareholders are requested to make all correspondence to them at the following address.

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

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

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

- 1) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 2/2021 dated January 13, 2021, 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") and Circular no. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI (hereinafter collectively referred to as "the Circulars"), permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations, 2015") the Annual General Meeting of the Members of the Company will be held through VC/OAVM.
- 2) Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form Attendance Slip and Route Map are not annexed to the Notice.**
- 3) Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution / Authorization etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to Company by email through their registered email address to secretarial@mercurylabs.com.
- 4) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 5) **Registration of email ID and Bank Account details:**

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email addresses with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

 - (i) Kindly log in to the website of our Company, Mercury Laboratories Limited at <http://investor.mercurylabs.com/email-bank-detail-and-tax-exemption-registration/> - fill in the details and upload the required documents and submit.

OR

 - (ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
- 6) The Notice of the Annual General Meeting along with the Annual Report for the financial year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2020-21 will also be available on the Company's website www.mercurylabs.com; websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. and on the website of National Securities Depository Limited (agency for providing the Remote e-Voting facility) i.e. at www.evoting.nsdl.com. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
- 7) Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 8) Instructions for e-voting and joining the Annual General Meeting are as follows:

- 9) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General meeting (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) read with MCA Circulars and SEBI Circular, the Company is providing (i) facility of remote e-voting for voting before the AGM and (ii) facility of e-voting at the AGM to its Members in respect of the business to be transacted at the AGM to be held through VC/ OAVM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency.
- 10) National Securities Depository Limited (NSDL) will be providing the remote e-voting facility for participation in the AGM through VC/ OVAM Facility and e-voting during the AGM.
- 11) Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

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

The remote e-voting period begins on September 25, 2021 at 09:00 A.M. and ends on September 27, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 21, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 21, 2021.

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com . Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp

Type of shareholders	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

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

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

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

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

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

- 5) Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

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

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

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

General Guidelines for shareholders

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (secretarial@mercurylabs.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (secretarial@mercurylabs.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

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

DIVIDEND INSTRUCTIONS

- The Board of Directors has recommended Final Dividend of INR 2/- per Equity Share of INR 10 each for the year ended on March 31, 2021 subject approval of the shareholders at the 40th AGM. The Interim Dividend of INR 1.50/- per Equity Share was declared on February 11, 2021. The total Dividend for the financial year ended on March 31, 2021 amounts to INR 3.50/- per Equity Shares of INR 10 each.
- The Dividend, if approved at the AGM, will be paid to those members whose name would appear in the Register of Members of the Company as on September 21, 2021.
- The dividend, if any, approved by the Members will be paid as per the mandate registered with the Company or with their respective Depository Participants. In case dividend declared at AGM could not be paid due to non-availability of the details of the Bank Account, the Company shall dispatch the dividend warrant to such shareholder subject to availability of postal services.
- In case of joint holders, the Member whose name appeared as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM and the dividend will be paid in the name of such first holder in the order of names.
- As SEBI has mandated that transfer of securities in a listed company will be processed only if the securities are held in dematerialized form, the Members, who have not yet got their shares dematerialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the de-materialization account to the Company's RTA.
- Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime India Pvt Ltd in case the shares are held by them in physical form and in case of electronic form shall be intimated to RTA agent Link Intime India Pvt Ltd.

- Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.
- Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Link Intime India Pvt Ltd (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). For all members – Details that should be completed and / or updated as detailed below:

RESIDENT MEMBER.

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

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

All these documents duly completed and signed required to be send by email to the Company at secretarial@mercurylabs.com by September 21, 2021.

Non-Resident Member

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

All these documents duly completed and signed required to be send by email to the Company at secretarial@mercurylabs.com by September 21, 2021.

• Other General Information to Members

- Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of Members on the Book Closure Date and above prescribed documents. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.
 - In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund, if eligible
 - In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Member/s, such Member/s will be responsible to indemnify the Company against all claims, demands, penalties, losses, etc. and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
 - Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Members should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.
- f. Members may address all the correspondences relating to dividend, unclaimed shares, claiming refund of shares & dividend transferred to IEPF, change of address, share transfer, transmission, nomination, etc. to the Company at secretarial@mercurylabs.com or the RTA at vadodara@linkintimeindia.co.in
- g. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- h. As per Section 118(1) of the Companies Act, 2013 read with the Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India, "No gifts, gift coupons or cash in lieu of gifts shall be distributed to the members in connection with the meeting".
- i. A person whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on September 21, 2021 ("Cut-Off date") only shall be entitled to avail the facility of remote e-voting. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as of the Cut-Off date.
- j. Mitesh Rana of Mitesh Rana & Co., Company Secretaries (Membership No.: 28113) having consented to act as a scrutinizer has been appointed as the scrutinizer to scrutinize e-voting process (electronically or otherwise) in fair and transparent manner.
- k. During the AGM, the Chairman shall, after response to the questions raised by the Members in advance, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.
- l. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM and thereafter unblock the votes casted through remote e-voting. The Scrutinizer shall, within a period not later than Two (2) days from the conclusion of the AGM, prepare and present a scrutinizer report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing.
- m. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.mercurylabs.com immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited, Mumbai, where the equity shares of the Company are listed.

Date: May 27, 2021
Place: Vadodara

By order of Board of Directors

Kinjal Khandelwal
Company Secretary

CONTACT DETAILS

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

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

Mr. Paresh J Mistry, aged 52 years, had been appointed as an additional director on the Board of the Company with effect from October 01, 2017 and at the subsequent Annual General Meeting, his appointment as Director was also confirmed and presently occupying position of Purchase Manager, being the office and/or place of profit in the Company.

In terms of Section 188(1)(f) of the Companies Act, 2013, the appointment/reappointment of a director or a relative of director to an office or place of profit in a company, its subsidiary company or an associate company requires approval of the shareholders of the company. Since Mr. Paresh J Mistry is a Director of the Company, provisions of Section 188(1)(f) of the Companies Act, 2013 would be applicable for continuing appointment of Mr. Paresh J Mistry to a place of profit being the office of Purchase Manager of Company. In the light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No. 4 of the accompanying Notice. A brief profile of Mr. Paresh J Mistry including his nature of expertise is provided in this Annual Report.

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

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Paresh J Mistry as Non-Executive Non Independent Director and Purchase Manager. Accordingly, the Board recommends the resolution in relation to reappointment of Mr. Paresh J Mistry as Non- Executive Non Independent Director, for the approval by the shareholders of the Company.

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

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract of the terms appointment of Mr. Paresh J Mistry, as the Director of the Company and Memorandum of Interest of Directors u/s. 190 of the Companies Act, 2013.

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

STATEMENT GIVING THE INFORMATION IN ACCORDANCE WITH SCHEDULE V TO THE COMPANIES ACT, 2013 FOR MR. PARESH J MISTRY
MR. PARESH J MISTRY

Mr. Paresh J Mistry (age 52) has done his Bachelors in Commerce. He also completed Industrial Purchasing & Material Management. He did Master of Business Administration in 2010. He is associated with the Company since 1994. Having expertise in the field of Business Management, he looks after marketing, purchase, export and administration of the Company.

He does not hold directorship in any other company.

GENERAL INFORMATION

Sr. No	Information sought	Information		
i	Nature of Industry	The Company is engaged Pharmaceutical Business, Manufacturing, Exporting, Importing, Selling and Otherwise dealing in all kinds of pharmaceutical drugs, medicines, herbs, laboratory and surgical materials etc.		
ii	Date of Commencement of Commercial Production	The Company has started its operations from February 12, 1982.		
iii	Financial performance of the Company	Rs. In Lacs		
		Particulars	2020-21	2019-20
		Revenue from Operations	6860.15	5726.91
		Profit/(Loss) before Tax	790.90	432.90
		Profit/(Loss) After Tax	533.75	322.81
		Paid-up Equity share Capital	120.00	120.00
		Reserves & Surplus	3569.46	3077.71
		Earnings per Share (Rs.)	44.48	26.90
Book value per share (Rs.)	307	266		
iv	Export performance and net foreign exchange collaboration	The Company's export on FOB basis was INR 14,65,71,577 for 2020-21 and Rs. 9,34,25,149 for 2019-20.		
v	Foreign investments or collaborations	In Technical Collaboration with JAS Healthcare, Inc., USA		

ABOUT THE INFORMATION

i	The background details	The background details of Mr. Paresh J Mistry are given elsewhere in the notice.
ii	Past Remuneration	Mr. Paresh J Mistry drawn remuneration of Rs. 8,96,826 per annum.
iii	Recognition or awards	Nil

iv	Job profile and his suitability	Mr. Paresh J Mistry provides leadership and guidance to the Company in addition to supervising functional - heads of marketing, purchase, export etc including overall administration of Company and its operations. Given the profile of Mr. Paresh J Mistry, it is imperative that Company avail his services as director also.
v	Remuneration proposed	Within the Maximum Ceiling Limits prescribed in resolution mentioned herein above with authorization to Board to decide at its absolute discretion for payment of remuneration to Mr. Paresh J Mistry.
vi	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in Health-Care Companies; Companies engaged in similar businesses, of comparable size and has been considered by the Nomination and Remuneration Committee and the Board of Directors of the Company.
vii	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	There is no other pecuniary relationship directly or indirectly with the Company except to the extent of their remuneration drawn in capacity as Works Manager. This information is already disclosed elsewhere in the notice.

OTHER INFORMATION

i	Reasons of loss or inadequate profits	<ul style="list-style-type: none"> • Highly competitive market and aggressive pricing by domestic and international Companies. • Expenditure on Expansion & development of new facilities for new business avenues
ii	Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> • Reduction in cost of operation through indigenous efforts • Focusing on atomization in processes wherever possible.
iii	Expected increase in productivity and profits in measurable terms	<ul style="list-style-type: none"> • Expecting Year-on-Year 20% profit growth with the above measures.

Disclosures:

The break-up of remuneration package is mentioned in the Corporate Governance Report.

In the event of loss or inadequacy of profits, Mr. Paresh J. Mistry shall be entitled to above stated remuneration subject to the approval of the Central Government, if required. In the event of non-approval / pending required approval of remuneration, Mr. Paresh J. Mistry shall be entitled to remuneration as under:

At the slab stipulated in Section II of Part II of Schedule V to the Companies Act, 2013 relating to limit of yearly remuneration payable in case of other director; together with

- i. Company's contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- ii. Gratuity as per the rules of the company but shall not exceed half a month's Salary for each completed year of service; and
- iii. Earned Leave of one month for every eleven months of service on full pay and allowance as per the rules of the company. Leave accumulated but not availed of, can be encashed as per the rules of the company.

Further As per new clause 17(6)(ca) has been inserted in the Listing Regulations by way of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 wherein the listed companies are required approval of shareholders by way of special resolution in case the annual remuneration payable to single non executive director exceeds 50% of total annual remuneration payable to all non executive directors of the Company. Mr. Paresh J Mistry is Non – Executive Director of the Company who is being paid remuneration not exceeding 30,00,000 per annum for holding position of Purchase Manager in Company. Except remuneration paid to Paresh J Mistry, your company does not give any monetary benefit to any non executive director of the Company except the sitting fees for attending the meetings of Board or Professional Fees or Committee thereof and reimbursement of expenses, therefore the payment made to Mr. Paresh J Mistry constitutes more than 50% of the total remuneration payable to all Non-Executive Directors of your Company.

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

ITEM NO 05

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ('the rules') the Company is required to appoint a cost auditor to audit the cost records of the Company for products and services as specified under the Companies (Cost Records and Audit) Rules, 2014. On the recommendation of audit committee, the Board of Directors had approved the appointment of M/s. V.M. Patel & Associates, Cost Accountants, Surat (Firm Registration No. 101519) as the cost auditors of the company to conduct audit of cost records maintained by the Company for the financial year 2021 – 22 at a remuneration of Rs. 43,000/ annually plus applicable taxes if any & re-imburement of out of pocket expenses.

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

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

ITEM NO. 06

In accordance with the provisions of the Section 73 and all other applicable provisions of the Companies Act, 2013, the Board of Directors of the Company requires consent of the Shareholders at the General Meeting for inviting, accepting or renewing deposits on such terms and conditions in accordance with applicable provisions of the Companies Act, 2013 and rules made there under.

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

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

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

Name of the Director	Mr. Paresh Mistry
Date of Birth	July 20, 1969
Age	52
Qualification	B.Com, M.B.A
Experience in Specific functional area	Material Management, Purchase & Exports, & Administration
Director Since	October 01, 2017
List of Companies in which outside directorship held as on March 31, 2021	None
Chairmanship / Membership of Committees of other Board	Chairman in Stake holder Relationship Committee and Member in audit Committee
Relationship with other Directors, Manager and other Key Managerial Personnel	No
No. of Shares held	0

BOARD'S REPORT

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

Your Directors have pleasure in presenting the 40th Annual Report of Mercury Laboratories Limited (the Company) on the business and operations of the Company together with the audited financial statements for the financial year ended on March 31, 2021.

1. FINANCIAL SUMMARY/PERFORMANCE OF THE COMPANY

The financial performance of the Company for the financial year ended March 31, 2021 along with figures of previous financial year is summarized below:

PARTICULARS	(Rs. in Lacs)	
	2020-21	2019-20
Revenue from Operations	6860.15	5726.91
Gross Profit before Depreciation Interest & Tax	1047.10	701.54
Less: Interest	64.14	81.74
Less: Depreciation	192.05	186.88
Profit / (Loss) before Exceptional Items & Tax	790.89	432.90
Exceptional Items	-	-
Profit / (Loss) before Tax	790.89	432.90
Less: Current Tax including Income Tax of Previous Year & Deferred Tax	257.14	110.09
Profit/(Loss) from Continuing Operations	533.75	322.81
Profit/(Loss) from discontinued operations	-	-
Tax expense of discontinued operations	-	-
Profit/(loss) from Discontinued operations (after tax)	-	-
Profit / (Loss) for the Period	533.75	322.81
Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss	-	-
A (ii) Income tax relating to items that will not be reclassified to profit or loss	-	-
Total other comprehensive income (A (i - ii))	-	-
Total comprehensive income for the period	533.75	322.81
*Earning Per Share		
Basic	44.48	26.90
Diluted	44.48	26.90

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

2. Dividend:

Your Directors are pleased to recommend payment of dividend INR 2.00 per equity share of face value of INR 10 each for the year ended on March 31, 2021 absorbing Rs. 24.00 Lacs, which will be, if approved, paid to the Shareholders holding shares as on September 21, 2021 after business hours. The final dividend is in addition to the interim dividend of INR 1.5 per share declared on February 11, 2021 and paid to shareholders on March 01, 2021. Together with the Interim Dividend of INR 1.50 per share, the total dividend for the financial year ended March 31, 2021 amounts to INR 3.5 per share absorbing 42.00 Lacs in total. The dividend, if declared, is subject to deduction of Tax at source in accordance with applicable provisions. The Dividend Distribution Policy of the Company is set out as Annexure A. .

3. Transfer to Reserves:

Your Company has transferred an amount of INR 350.00 Lacs to the General Reserve during for the Financial Year ended on March 31, 2021.

4. Financial Performance and Operations Review:

During the year under review, the Company yielded Revenue from operations of INR 6860.15 lacs and earned Gross Profit before depreciation, interest and tax of INR 1047.10 lacs with Net Profit of INR 533.75 Lacs as against Revenue from operations of INR 5726.91, Gross Profit before depreciation and Interest and tax of Rs. INR 701.54 lacs with Net Profit of 432.90 INR 322.81 Lacs of previous year, respectively.

5. Future Prospects:

During the FY 2020 – 2021, the COVID 19 pandemic took the world with surprise and swept almost all the countries under its effect. The Government's decision of an early lockdown assisted to slow down spread of the Virus and gave time to healthcare community to prepare for outbreak. Your company being the Pharmaceutical Manufacturing Company dealing into manufacturing of Medicines related to Mother and Child Care. Operations of the Company had been continued during national lockdown and the Company was complying with the requirements related to Social Distancing and mandatory to wear face mask and have proper sanitizations. Company had implemented strict measures of ensuring social distancing, hygiene practices and deep cleansing of premises to ensure the safety for our workers staff & community at workplace. Company was affected due to Covid-19 Pandemic substantially as the entire nation and world badly affected due to number of reasons.

- Due to lockdown in India, our number of associates who were supplying raw materials, packing materials, printing materials were closed and we were unable to procure it. Additionally transportation was not available to bring from one destination to another destination.
- Due to lockdown and social distancing our man power and supervisors was reduced to about 50% - 60%. Some of them were not coming due to red zone, lockdown and non-availability of transportation. In view of above and shortages of all inputs and workers production activity came down to 40% to 50% of the normal productivity.
- Due to national lockdown, our domestic marketing activity came to almost fullstop as most of the cities did not allowed medical representative to make personal calls and also intrastate and interstate travelling were not permitted. Most of medicals professionals closed down their clinic due to Covid 19 that has affected our business.
- Due to lack of transportation and logistics, Company is experiencing difficulties in supply chain. We have noticed the delivery period of our goods has increased 2 to 3 fold in most of the locations.
- Due to the low volume of business from March end it has affected our collection and liquidity, revenue and profitability substantially.

At present this Covid-19 Pandemic has taken a stall in India and all over the world. Most of the countries economy goes de-growth and borrowed heavily from the market and from world bank.

There was chaos on non-availability of ICU beds, oxygen cylinders, medicines, ventilators.

During Covid-19 Pandemic, India was recognized reliable source of medicines, vaccines and health related issues. Most of the countries recognized Indian Pharma Companies by video and submitting documents and approved their product for the importation.

Our worst experience of Covid-19 pandemic brought awareness and new thoughts as government of India allotted more fund for health related and that includes creation of centre and Health care medical support, creation of medical colleges and Nursing service centres so that more doctors and nurses can be made available. Government and the Pharma companies invested heavily on their expansion.

Looking to the above scenario, the management strongly believe that, pharma industries of India will increase their productivity and meet their demands of national market as well as international market medicines, medical equipment, surgical items etc. Management sees very bright and prosperous future of the Company.

We are exercising prudence in managing costs to conserve cash, we continue to prioritise investments in capacity for key projects, quality systems, compliance, safety, and digitisation to shape the future of Mercury Laboratories. Capacity creation and allocations for key products are also taking place keeping the long term in perspective. We are systematically undertaking digitisation across functions and working towards integration at an organisational level, which will be critical for sustainability as an organisation. An important pillar of our future preparedness is the investments we are making in our people. We are building a strong leadership team and hiring the right talent to address the needs of our customers and realise our strategic priorities. The future belongs to organisations that are resilient and can quickly adjust to the reality of the market. Accordingly, Mercury Laboratories will continue to stay focused on building on its agility to maximise value creation.

MANAGEMENT DISCUSSIONS AND ANALYSIS

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

a) Industry Structure and Development

The Government's concerted push towards the pharma sector through initiatives such as Make in India, Ayushman Bharat Scheme, National Digital Health Mission etc., has cemented India as a leading global capital market. Production linked incentive (PLI) scheme for the pharma industry worth 15,000 crores (\$2.04 billion) to promote domestic manufacturing of critical key starting materials (KSM), drug intermediates, and active pharmaceutical ingredients (APIs) making India a leading supplier. The Government has approved a total of 33 applications with a committed investment of ₹5,082.65 crores under a separate PLI scheme for APIs Increased thrust on rural health programmes, lifesaving drugs and preventive vaccines Plan for a mega bulk drug parks to reduce raw material dependence on imports The Union Budget 2021-22 saw an unprecedented increase in allocation for health sector like Increased spending on healthcare from 1.2% of the GDP to 2.5% of the GDP

64,180 crores allocation for the Atmanirbhar Swasth Bharat Yojana for development of primary, secondary, and tertiary healthcare over a period of six years , 2,23,846 crores budget outlay for health and well-being for FY 2022, an increase of 137% over previous year ,35,000 crores outlay for Covid-19 vaccines and national rollout of pneumococcal vaccines to help save over 50,000 lives annually ,6,429 crores for health insurance scheme, Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana

Key growth factors of the pharma sector The Indian pharma sector growth looks promising given strong Government focus on improving accessibility, increasing affordability and growing acceptability of pharma. The Government has taken several initiatives like massive inoculation drive, Atmanirbhar Swasth Bharat Yojana to develop capacities of primary, secondary, and tertiary healthcare systems, focus on Medical Value Travel, launch of PM-JAY to increase penetration of health insurance, \$200 billion investment on medical infrastructure over 10 years, Ayushman Bharat Yojana, Pradhan Mantri Bhartiya Janaushadhi Pariyojana, focus on medical education etc.

b) Outlook, Risks and Concerns

While the outlook for the business environment gradually improved, the second wave of COVID-19 emerged in India in April and May 2021 and its economic impact remains uncertain. Although our clients are better prepared to address the challenges, we continue to remain vigilant across our portfolio to mitigate any potential risks by supporting our clients to ensure construction progress across the projects in our portfolio. We believe that our provisions should be enough to take care of future contingencies that may arise due to COVID-19.

World economic overview

The year 2020 posed significant challenges for economies across the globe with lockdowns posing a threat of deep recession. However, sizeable, swift and unprecedented fiscal, monetary and regulatory responses by most Governments helped to maintain disposable income for households, protect cash flow for firms, and support credit provision. The global contraction for 2020 is estimated at 3.5%, led by China's quick recovery and better than expected GDP outturns in large advanced economies.

New large economies have raised hopes of a turnaround in 2021 with growth expectations of 5.5% followed by 4.2% in 2022. Across countries, recovery levels may vary significantly depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spill overs, and structure

Global Pharma Market

The demand for healthcare and innovative solutions is growing globally with chronic diseases on the rise. The global pharmaceuticals market is expected to grow from \$1,228.45 billion in 2020 to \$1,250.24 billion in 2021 at 1.8% CAGR. The slowdown in growth is mainly due to the companies rearranging their operations and recovering from the Covid-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities causing operational challenges. The market is expected to reach \$1,700.97 billion in 2025 at 8% CAGR.

North America was the largest region in the global pharmaceuticals market, accounting for 46% of the market in 2020, owing to increasing prevalence of chronic diseases and skyrocketing number of Covid-19 cases in the US. Asia-Pacific was the second largest region accounting for 26% of the global pharmaceuticals market. Africa was recorded as the smallest region in the global pharmaceuticals market. The global pharmaceuticals market is projected to rise at a considerable pace driven by the increasing investments in product R&D. The efforts put in to develop efficient products will bode well for the growth of the overall market in the coming years.

c) Financial Performance and Operation Review

During the year under review, the Company yielded Revenue from operations of INR 6860.15 lacs and earned Gross Profit before depreciation, interest and tax of INR 1047.10 lacs with Net Profit of INR 533.75 Lacs as against Revenue from operations of INR 5726.91, Gross Profit before depreciation and Interest and tax of INR 701.54 lacs with Net Profit of INR 322.81 Lacs of previous year, respectively.

The Company's business in the emerging markets also suffered due to significant currency fluctuations and regulatory issues. The Company is implementing comprehensive remedial measures at all its manufacturing sites to ensure quality and regulatory compliances. These remedial measures included review of all processes and procedures revamping of training system, recruitment of senior quality personnel as well as automation of quality control laboratories. Your company is committed in resolving these issues at the earliest. The Company is also committed to its philosophy of highest quality in manufacturing, operations, system, integrity and GMP culture. Your management is confident that implementation of remedial measures will ensure that the company will regain all its regulatory approvals.

Rs. in Lacs

Break-up of Sales	2020 – 21	2019 – 20	Growth / (Degrowth)	
			In terms of Value	In terms of %
Domestic	3492.10	3851.16	(359.06)	-9.32
Erga Sales	0	67.17	(67.17)	(100.00)
Grace Division	254.62	0.00	254.62	100.00
Deemed Exports	1301.34	874.34	427.00	48.84
Direct Exports	1812.08	934.25	877.83	93.96
Total	6860.14	5726.92	1200.39	133.48

During the financial year under report, the domestic sales of products of the Company amounted to INR 5048 lacs as against INR 4792.67 lacs in the previous year which reflect Increase of 5.33% and in value INR 255.39 Lacs. Whereas the International Business (export) amounted to INR 1812.1 Lacs as against INR 934.25 lacs in the previous year which was Increase by 93.96% and in value INR 877.83 Lacs.

d) **Internal Control System and its adequacy**

The Company has adequate internal control system including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control system provide for all documented policies, guidelines, authorization and approval procedures. The Company has an internal auditors which carries out audits throughout the year. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit Committee of the Board. Further the Company has in place adequate Internal Financial Controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

e) **Human Resources**

The human resources plays a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees across various locations. At the core of our success are our people and have been working towards keeping them engaged and inspired.

During the year under review, various training and development workshops were continued to be conducted to improve the competency level of employees with an objective to improve the operational performance of individuals. The company has built a competent team to handle challenging assignments. The Company strives to enhance the technical work, related and general skills of employees through dedicated training programs on a continuous basis. The Company has 660 employees as on March 31, 2021.

f) **Formulation and Developments**

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

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

g) **Cautionary Statement**

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

6. Directors' Responsibility Statement

Your Directors state that:

- a. In the preparation of annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2021 and of the Profit of the Company for the year ended on that date;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the annual accounts on a "going concern" basis;
- e. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

7. Directors and Key Managerial Personnel

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

- a. Mr. Paresh J Mistry Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The retirement of director by rotation at the ensuing Annual General Meeting is determined in accordance with the provisions of the Companies Act, 2013.
- b. Ms. Enu Khandelwal was appointed as Chief Finance Officer of the Company with effect from August 07, 2020.
- c. Mrs. Poornima Karvat whose term of appointment as an Independent Director was valid upto March 30, 2020. At the meeting of Board of Directors held on February 05, 2020 on the recommendation of Nomination and Remuneration Committee of the Company, she was re-appointed as an Independent Director for further period of 5 years subject to approval of the shareholder at the ensuing Annual General Meeting. However in view of health issue and preoccupation, she had resigned from Directorship with effect from May 30, 2020.
- d. At the meeting of Board of Directors of the Company held on February, Board approved appointment of Mr. Rajendra R Shah as Managing Director of the Company for further period of 3 years with effect from April 01, 2020. Subsequently His appointment was also approved by the shareholders at the Annual General Meeting held on September 29, 2020.
- e. At the meeting of shareholders held on September 29, 2020, appointment of Mrs. Janki R Shah as Director of the Company was also approved by shareholders of the Company.

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

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

Key Managerial Personnel as at March 31, 2021 are as under:

1. Mr. Rajendra R Shah, Managing Director
2. Miss. Kinjal Khandelwal (w.e.f 27.07.2019)
3. Miss. Enu Khandelwal (07.08.2020)

8. Number of Meetings of the Board

Five Meetings of the Board were held during the year on May 30, 2020, July 04, 2020, August 07, 2020, November 06, 2020 and February 11, 2021. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

9. Policy on Directors' Appointment and Remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act may be accessed on the Company's website at the link: <http://www.mercurylabs.com>.

10. Board Evaluation

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

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

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

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

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

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

11. Internal Financial Control Systems and their adequacy

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

12. Audit Committee

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

13. Share Capital

The paid-up Equity Share Capital of the Company as at March 31, 2021 is INR 120 Lacs. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

14. Risk Management

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks is getting managed within a unitary framework. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The Audit Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

15. Safety, Environment and Health

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

16. Particulars of Loans, Guarantees or Investments

The Company has not provided any loans and guarantees and no investments made pursuant to Section 186 of the Companies Act, 2013 during the year ended on March 31, 2021.

17. Particulars of contracts or arrangements with related parties:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and in compliance of the provisions of Section 188 of the Companies Act, 2013 & rules made there under and Listing Agreement & SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The Company had not entered into any contract /arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company. The Policy dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.mercurylabs.com>. All the related party transactions are placed before the Audit Committee as also Board for approval/Ratification.

Prescribed form AOC - 2, pursuant to Section 134 (3) (h) of the Companies Act, 2013 & Rule 8(2) of the Companies (Accounts) Rules, 2014, is furnished as Annexure – B to this report.

18. Corporate Social Responsibility (CSR)

As Per Amendment and section 135 Though not mandatory in terms of Section 135 of Companies Act, 2013, the Company has formulated Corporate Social Responsibility (CSR) Policy in accordance with Section 135 of the Companies Act, 2013 and reconstituted CSR Committee with on May 14, 2015 with Mr. D. R. Zaveri and Mr. Bharat Mehta, Two Independent directors and Mr. Rajendra R Shah, Managing Director and Dilip Shah, Director of the Company.

Subsequent to resignation of Ms. Poomima Karvat with effect from May 30, 2020, CSR Committee was reconstituted on May 30, 2020 as under:

Sr. No.	Name of Director	Category
01	Mr. Rajendra R Shah	Chairman & Member
02	Mr. Divyakant Zaveri	Member
03	Mr. Bharat Mehta	Member
04	Mr. Dilip Shah	Member

However the Company has been pursuing CSR activities in the area of promotion of education in medical field by providing scholarship and other amenities to the medical students. The CSR policy of the Company is placed on the website of the Company www.mercurylabs.com.

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

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

The Company has not received any complaint of sexual harassment during the financial year 2020-21. The policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at work place is placed on website of the Company www.mercurylabs.com.

20. Vigil Mechanism/Whistle Blower Policy

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

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

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

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

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

23. Particulars of Employees and Remuneration

Pursuant to the Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, no employee of the Company was paid remuneration exceeding the prescribed limits, during the financial year 2020-21

The information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure-D forming part of the Report. None of the employees listed in the said Annexure is related to any Director of the Company.

24. Auditors & Their Reports

(1) Statutory Auditors:

Pursuant to the provisions of Section 139 of the Act and the rules framed there under, at the Annual General Meeting held on September 14, 2018, M/s. R J Shah & Associates, Chartered Accountants, has been appointed as Statutory Auditor of the Company to hold office till conclusion of 41st annual general meeting to be held in the year 2022. The Companies (Amendment) Act, 2017 has waived the requirement for ratification of the appointment of Statutory Auditors by the Shareholders at every Annual General Meeting. Hence, the ratification of appointment of Statutory Auditors by your company is not required. Accordingly Statutory Auditor will continue to hold office till the conclusion of the 41st Annual General Meeting of the Company.

The Auditor's Report for the financial year 2020-21 does not contain any qualification, reservation or adverse remark which requires any clarification/ explanation. The Auditor's Report is enclosed with the financial statement in this Annual Report. There was no instance of fraud during the year under review, which required the statutory auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act, and the rules made thereunder. The Notes on accounts, referred to in the Auditor's Report, are self explanatory and therefore do not call for any further comments.

(2) Secretarial Auditors:

Pursuant to the provisions of the Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the Board of Directors of the Company had appointed M/s. Mitesh Rana & Co. a firm of Company Secretaries to carry out Secretarial Audit for the year ended on March 31, 2021. The Secretarial Audit Report is annexed as Annexure-E.

The Auditors' Report and the Secretarial Audit Report for the financial year ended March 31, 2021 do not contain any qualification, reservation, adverse remark.

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

The Board of Directors of your Company has appointed M/s. Mitesh Rana & Co., Company Secretaries, Vadodara to carry out Secretarial Audit of your Company for FY 2021-22.

(3) Cost Auditors:

Pursuant to the provisions of Section 148 read with Companies (Cost Records and Audit) Amendment Rules, 2014 and as recommended by the Audit Committee, the Board had appointed M/s. V.M. Patel & Associates, Practicing Cost Accountants, who have given their consent to act as Cost Auditors and laid on the table the consent letter received from them & confirmed that his appointment met the requirements of Section 141(3)(g) of the Act for the year 2021-22 and that he was free from disqualification as specified under section 141 read with Section 148 of the Act.

In terms of Rule 14 of the Companies (Audit and Auditors) Rule, 2014, remuneration payable to the cost auditors is required to be ratified by members. Accordingly an ordinary resolution will be passed by members at the 40th Annual General Meeting approving the remuneration payable to M/s. V.M. Patel & Associates.

(4) Internal Auditors

The Board of Directors appointed M/s. K R & Associates as Internal Auditors of the Company for financial year 2021-22.

25. Deposits:

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

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

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

26. Extract of Annual Return

The extract of annual return is given in Annexure-F which forms part of this report. As required under Section 92(3) and 134(3) and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended), an extract of Annual Return is made available on the website of the Company at the web-link www.mercurylabs.com

27. Material Change & Commitments, if any

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

28. Corporate Governance Report

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

29. Independent Directors

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

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

In terms of requirements under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on February 11, 2021.

30. CHANGE NATURE OF BUSINESS

During the year under review, there had been no change in the Company's nature of business.

31. Acknowledgment

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

On behalf of the Board of Directors,

Date: May 27, 2021

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

Dilip R Shah
Director
DIN: 00257242
Place: USA

ANNEXURE A TO THE DIRECTORS' REPORT – DIVIDEND DISTRIBUTION POLICY

OBJECTIVE

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

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

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

PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

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

Statutory and Regulatory Parameters

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

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

Financial Parameters

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

External Factors

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

UTILISATION OF RETAINED EARNINGS

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

DIVIDEND AND CLASSES OF SHARES

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

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

DIVIDEND PAYOUT RATIO

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

CONFLICT IN POLICY

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

AMENDMENTS

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

REVIEW OF POLICY

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

DISCLOSURE OF POLICY

The Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website www.mercurylabs.com

Annexure – B to the Board's Report**Form No. AOC – 2**

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or Arrangement or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as require under first proviso to section 188
			Not Applicable				

* During the Financial Year 2020-21, no contract or arrangement or transaction was entered into by the company with the related parties which is not at arm's length basis.

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

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or Arrangement or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
Rajendra R Shah, Managing Director	Re-appointment as Managing Director	01/04/2020 to 31/03/2023	Re-appointment of Mr. Rajendra R Shah as Managing Director of the Company	05-02-2020	NA
MERCURY MARKETING AND CONSULTING SERVICES, a Firm in Which Directors Mr. Rajendra R Shah & Mr. Dilip R Shah are interested	To avail various services of experts personnel in different functional areas	01/07/2020 to 30/06/2023	To avail various services of experts personnel in different functional areas for Service Charges of INR 30,00,000/- per annum	30-05-2020	NA
Mercury Antibiotics Private Limited, Company in which Director Mr. Rajendra R Shah & Mr. Dilip R Shah interested	Renewal of Leave and License Lease Rent Agreement	01/01/2021 to 31/03/2024	To use premises of Mercury Antibiotics Private Limited on Leave and License Basis at monthly rental of INR 3,50,000/	11/02/2021	NA

Note: During the year under review, no material transactions, contracts or arrangements (as defined under the listing Agreement or which were above the threshold limits mentioned under Rule 15 of the Companies (Meetings of Board & its Powers) Rules, 2014) were entered with the related parties by the Company. For details on related party transactions during the year, members may refer to the notes to the standalone financial statement.

On behalf of the Board of Directors,

Date: May 27, 2021

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

Dilip R Shah
Director
DIN:00257242
Place: USA

Annexure - C to the Board's Report

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

1. CONSERVATION OF ENERGY

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

The Company continues its policy of giving priority to energy conservation measures including regular review of energy generation and consumption and effective control on utilization of energy.

Various conservation measures such as Installation of lesser power consumption machines and instruments, Replacement of energy saving efficient equipments were implemented during the financial year. The company had replaced ordinary light fittings with led and always strive to conserve energy.

The Company is in process of installation of Solar Panel at the plant. This may benefit the Company in years to come.

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

The Company is evaluating all possibilities of utilizing alternate sources of energy in its operations, wherever possible.

(iii) The capital investment on energy conservation equipments:

During the year under report, the Company has not spent any amount on energy conservation equipments/consumables.

PARTICULARS PERTAINING TO CONSERVATION OF ENERGY

	Particulars	2020-21	2019 - 20
1	Power and fuel consumption		
A.	Electricity		
(a)	Purchased		
	Unit (in Kwh)	17,58,174	18,44,590
	Total amount (Rs.)	1,37,45,116	1,46,47,005
	Rate/unit (Rs.)	7.82	7.94
(b)	Own generation		
(i)	Through diesel generator		
	Unit (in Kwh)	Nil	Nil
	Unit per liter of diesel Oil	Nil	Nil
	Cost/Unit (in Rs.)	Nil	Nil
(ii)	Through steam turbine/generator	N.A.	N.A.
	Unit (in 'Kwh		
	Unit per liter of fuel		
	Cost/Unit (in Rs.)		
B.	Coal (Specify quality and where used)	N.A	N.A
	Quantity (tones)		
	Total cost		
	Average Rate		
C.	Light Diesel Oil		
	Quantity (K. Liter)	25,413.68	19,338
	Total Amount (Rs.)	20,77,188	14,79,360
	Average Rate (Rs./K. Liter)	81.74	76.50
D.	Other/Internal generation		
	Total Cost	Nil	Nil
	Rate / Unit	Nil	Nil
2	Consumption per unit of production		Standards if any
	<ul style="list-style-type: none"> • Products • Units • Electricity • Furnace Oil • Coal • Others 	Considering the number of products being manufactured by the company and production activity not being energy sensitive, the Company is not in a position to give the information required as per this format for the current year as well as the previous year. Regular steps are being taken to improve the energy conservation.	

2. TECHNOLOGY ABSORPTION

Research & Development

A) Specific area in which R&D carried out by the Company: Not Applicable

No new technologies have been introduced during the year under review; however, the company intends to deploy the same at relevant point of time.

B) Benefits derived as a result of R&D: Nil**C) Future plan of action:**

The Company is in process of streamlining the operations and improving productivity per unit per man operation.

D) Expenditure on R&D: A) 25,823/-**E) Imported technology (imported during last 5 years):**

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

3. FOREIGN EXCHANGE EARNING & OUT GO :

Sr. No	Particulars	(Amount in Rs.)	
		2020-21	2019-20
a.	Foreign Exchange Earnings	14,65,71,577	9,34,25,149
b.	Foreign Exchange outgo towards	69,66,310	6,44,080

Annexure – D to the Board's Report**[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Management Personnel Rules, 2014)]**

- a The ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year:

The median remuneration of the employees of the Company for the financial year is INR 97815

Non Executive Directors	Ratio to Median Remuneration
Mr. Divyakant R Javeri (w.e.f. July 26, 2014)**	2.55
Mr. Dilip R Shah	---
Mr. Bharat Mehta (w.e.f. May 14, 2015)	---
*Mr. Paresh Mistry (w.e.f October 01, 2017)	9.17
MS Janki R Shah (w.e.f February 05, 2020)	---

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

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

Executive Directors	Ratio to Median Remuneration
Rajendra R. Shah	10.44

b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Finance Officer and Company Secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% Increase in remuneration in the financial year
Rajendra Ramanlal Shah	---
Dilip Ramanlal Shah	---
Divyakant Ramniklal Zaveri	---
Bharat Dhirajlal Mehta	---
Paresh J Mistry	4.35 %
Enu khandelwal	---
Kinjal Khandelwal	23.00%

Mr. Divyakant R. Zaveri has been paid Professional fees during the year under review.

Ms. Enu Khandelwal, CFO was appointed during the year.

There was no increase in remuneration of Managing Director Mr. Rajendra R Shah.

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

Above figures given here as compared to previous year median which is not strictly comparable since there number of employee on rolls of the company stood 660 as at March 31, 2021 as compared to 655 as at March 31, 2020.

d. The number of permanent employees on the rolls of the Company: 660

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

The average increase in remuneration per employees was approximately 8.07%. The profit after tax for the year 2020-21 increased by 65.34% The employees related cost is around 14%. The average increase in remuneration per employee is in line with normal pay revision and variable component forming integral part of the remuneration which is linked to individual performance, revenue achievement, profitability achievement, employee satisfaction, achieving strategic goals, customer satisfaction apart from Company's performance as a whole.

The average annual increase in the salaries of employees other than managerial personnel in the last financial year was around 8.34%. Increase in the managerial remuneration for the year was Nil except there is increase in salary of Mr. Paresh J Mistry, Director of Company.

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

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

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

On behalf of the Board of Directors,

Date: May 27, 2021

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

Dilip R Shah
Director
DIN:00257242
Place: USA

Annexure E

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Mercury Laboratories Limited

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Mercury Laboratories Limited ("Company")** for the financial year ended on March 31, 2021, according to the provisions of:

- i. The Companies Act, 2013 (the Act), and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015; including amendments/re-enactment thereof
 - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time
 - d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employees Benefits) Regulation, 2014 (Not Applicable)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable since the company has not issued and debt securities during the year under review.**)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable. The shares of the Company are not delisted at any stock exchange during the under review**) and
 - h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not Applicable. The Company not bought back any shares / securities during the year under review.**)

Our Scope of Audit for the compliance check for all other applicable laws to the Company from time to time (As briefed in Annexure A) to the extent applicable, was limited to comment with respect to proper systems in place to ensure compliance of various requirements of the stated laws. In respect of the same, as explained and confirmed to us by management, prima facie, there are adequate system checks implemented by management of the company to ensure compliance of the applicable provisions of the stated law, during the period under review.

Further, in respect of labour laws applicable to the company (As briefed in Annexure B), the company has proper systems in place to ensure compliance of various requirements of the stated laws. In respect of the same, as explained and confirmed to us by management and on an examination of various records, registers etc. kept and maintained by the Company, prima facie, the Company has complied with the stated applicable labour laws to the company, from time to time, during period under review to the extent applicable. We have also examined compliance with the applicable clauses of the following:

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

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

We further report that

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

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

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

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

We further report that during the year under review:

1. During the year under review, Company had transferred 1,800 Equity Shares to IEPF Authority.
2. Due to COVID – 19 and continued restrictions/lockdown, we are unable to verify the partial information physically, therefore we rely on the information as provided by Company in electronic mode.

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

**MITESH RANA
COMAPNY SECRETARY
ACS M. No.: 28113
COP: 12364**

**DATE: MAY 27, 2021
PLACE: VADODARA
UDIN: A028113C000377000**

Note: This report is to be read with assumptions/limitations as mentioned in Annexure "C" and our letter of even date which is annexed as "Annexure D" forming an integral part of this report.

Annexure "A"

1. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945 as amended from time to time
2. The Medicinal & Toilet Preparations (Excise Duties) Act, 1955
3. Poisons Act, 1919
4. The Indian Copyright Act, 1957
5. The Patents Act, 1970
6. The Trade Marks Act, 1999
7. Drugs (Price Control) Order, 2013 as amended from time to time

Annexure "B"**A. LABOUR & INDUSTRIAL LAWS INCLUDING AMENDMENT/RE-ENACTMENT THEREOF**

1. Apprentices Act, 1961
2. Contract Labour (Regulation and Abolition) Act, 1970
3. Employees Provident Fund and Miscellaneous Provisions Act, 1951 & Employees Provident Funds Scheme, 1952
4. Equal Remuneration Act, 1976 and Rules, 1976
5. Industrial Disputes Act, 1947
6. Industrial Employment (Standing Orders) Act, 1946
7. Maternity Benefit Act, 1961
8. Minimum Wages Act, 1948
9. Workmen's Compensation Act, 1923
10. Payment of Bonus Act, 1965 & the Payment of Bonus Rules, 1975
11. Payment of Gratuity Act, 1972 & The Payment of Gratuity (Central) Rules, 1972
12. Payment of Wages Act, 1936
13. The employees' State Insurance Act, 1948
14. The employees' State Insurance (General) Regulations, 1950
15. Factories Act, 1948
16. Personal Injuries Compensation Insurance Act, 1963 and Personal Injuries (Compensation Insurance) Rules, 1972
17. Employment Exchanges (Compulsory Notification of vacancies) Act, 1959 and The Employment Exchanges (Compulsory Notification of Vacancies) Rules, 1960
18. Supreme Court Guidelines on Prohibition of Sexual Harassment of Women at Work Place (Visaka v. State of Rajasthan)
19. Public Liability Insurance Act, 1991 and Public Liability Insurance Rules, 1991
20. Sales Promotion (Employees Conditions of Service) Act, 1976

B. CENTRAL ENVIRONMENT AND SAFETY LAWS

1. Environment Protection Act, 1986 and Environment (Protection) rules, 1986
2. Hazardous Wastes (Management and Handling) Rules, 1989
3. Manufacture, Storage And Import of Hazardous Chemicals Rules, 1989
4. The Water (Prevention And Control of Pollution) Act, 1974
5. The Air (Prevention And Control of Pollution) Act, 1974
6. Water (Prevention and Control of Pollution) Cess Act 1977 and Water (Prevention and Control of Pollution) Cess Rules 1978
7. National Green Tribunal Act, 2010
8. Biological Diversity Act, 2002

Annexure "C"**Assumption and limitations:**

- (a) For the purpose of this Secretarial Audit of Mercury Laboratories Limited (the Company), we have assumed (without making any investigation) that:
 - i) All signatures, stamps and seals on the documents submitted to us are genuine.
 - ii) The information given by the Company in the documents are true and correct and the Company is not aware of any omission of material fact or information in the documents which may cause the documents to be misleading.
 - iii) The documents executed by the Company thereto have been executed by the persons authorised to execute the same pursuant to resolutions of the board of directors of the company.
 - iv) There have been no amendments to the documents submitted to us.

- v) There are no arrangements between any of the parties to the documents which modify or supersede any of the terms of the documents
- vi) The board resolution have been properly passed in accordance with the articles of association of company (including, that any meeting convened was properly convened) and all directors who participated and voted are entitled so to do and are duly appointed and
- (b) We have examined the laws of India, as currently applied by Indian courts, as in our judgment is necessary for the purpose of this Report. We do not purport to be qualified to express an opinion, and we do not express any opinion, as to the laws of any jurisdiction other than India. This Report is strictly limited to the matters stated in the paragraph and does not extend to any other matter.
- (c) We have not conducted due diligence on the Company. We have not conducted any physical verification or valuations of the assets of the Company, our observation set out herein are limited to issues and risks arising out of legal matters. We have not examined the implications or business issues that may arise out of the commercial transactions or tax or regulatory matters as they do not fall within the scope of our review.
- (d) Our understanding of the facts is based upon and limited to the information/documents provided to us. We have no reason to believe that information or any of the documents provided to us are not genuine. Any variance of facts or of law may cause a corresponding change in the analysis set out in this Report.

“Annexure D”

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

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

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

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

**MITESH RANA
COMPANY SECRETARY
ACS M. No.: 28113
COP: 12364**

**DATE: MAY 27, 2021
PLACE : VADODARA
UDIN: A028113C000377000**

DECLARATION

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

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

I confirm that the Company has in respect of the financial year ended March 31, 2021 receive from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with code the code of conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Accountant and other employees in the Executive Cadre as on March 31, 2021.

On behalf of the Board of Directors,

Date: May 27, 2021

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

Dilip R Shah
Director
DIN: 00257242
Place: USA

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

To The Members of
Mercury Laboratories Limited

1. This Certificate is issued in accordance with the terms of our engagement and at the request of the Company.
2. We have examined the compliance of conditions of Corporate Governance by Mercury Laboratories Limited ('the Company'), for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this Certificate.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2021.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

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

For R J Shah & Associates
Chartered Accountants
Firm Reg No. 109752W

Nayan Dholakia
Partner
Membership No.: 037350
Place: Vadodara
Date: May 27, 2021
UDIN:21037350AAAAW7064

REPORT ON CORPORATE GOVERNANCE

1. STATEMENT ON COMPANIES PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

(a) Composition of Director

- i. As on March 31, 2021, the Board of Directors is consisting of 6 (Six) Directors with a Managing Director, Two Independent Non-Executive Directors, One Woman Director and Two Non Independent Non-Executive Director. The Composition of Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the BSE Limited.
- ii. None of the Directors on the Company's Board is holding office of the Director in more than 20 (twenty) Companies including 10 (ten) Public Companies. Independent Directors are also not holding office of Director in more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees across all the companies in he acts as Director. Necessary, disclosures regarding committee positions in other public companies as on March 31, 2021 have been made by directors.
- iii. Independent directors are non-executive directors as defined under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have given declaration confirming that they meet the criteria as mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.

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

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

Composition, attendance at the Board Meetings during FY 2020-21 and the last Annual General Meeting, outside directorship and Membership / Chairmanship of Board Committees of other Companies for the year ended / as at March 31, 2021

Name of Directors	Category of Directors	No. of Board Meeting Attended during 2020-21	Attendance at the last AGM	No. of outside Directorship held in Company	Number of memberships/chairmans hip in Audit/ Stakeholder Committee(s)		No. of shares held as at March 31, 2021
					Chairman	Member	
Rajendra R. Shah DIN: 00257253	Managing Director	5	yes	-	None	None	85650
Dilip R. Shah DIN: 00257242	Director	4	yes	-	None	None	84850
Divyakant R. Zaveri * DIN: 01382184	Chairman & Non-Executive Independent	5	yes	4	3	5	-
Bharat D. Mehta DIN 07180906	Non-Executive Independent	5	no	2	None	2	-
Paresh J Mistry DIN: 07893654	Non Executive Non Independent Director	5	yes	-	1	2	-
Janki R Shah \$ DIN: 08686344	Non Executive Non Independent Director	5	yes	-	None	None	104000

1. * Ms Janki Shah was regularised as Director of the Company w.e.f 28.09.2020.
2. * Mr. Divyakant Zaveri is an Independent Non-Executive Director in listed Companies viz (1) Gujarat Containers Limited and (2) Saptrishi Agro Industries Limited. No other directors of the Company hold any directorship in any other listed Company as at March 31, 2021.

- Note:**
1. This excludes directorship in company, overseas companies and partnership in LLPs.
 2. Chairmanship & Membership in other Board Committee for Audit Committee & Stakeholders Relationship Committee only provided.
 3. Mr. Rajendra R Shah, Mr. Dilip R Shah and Ms. Janki Shah are relatives in terms of Section 2(77) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014.
 4. Ms. Poornima Karvat, an Independent Director of the Company had resigned from Directorship with effect from May 30, 2020.

Number of board meeting of board of directors held and dates respectively

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

Date	Board Strength	No. of Directors present
May 30, 2020	7	7
July 04, 2020	6	5
August 07, 2020	6	6
November 06, 2020	6	6
February 11, 2021	6	6

The necessary quorum was present for all the meetings.

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

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

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

(b) Disclosure of Relationships inter se:

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

© Familiarization Programme for Independent Directors-

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

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

When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairperson, Managing Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities. Details of familiarization programmes is available on <http://investor.mercurylabs.com/wp-content/uploads/2019/11/FAMILIARIZATION-PROGRAM-FOR-INDEPENDENT-DIRECTORS.pdf>

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

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

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

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

(e) Role of Independent Directors

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

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

An Independent Director is the Chairman of the Audit Committee, Nomination & Remuneration Committee, as at March 31, 2021.

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

Meetings of Independent Directors

The Company's Independent Directors met on February 11, 2021 in absence of Non-Independent Directors and Members of Management. At this meeting the Independent Directors reviewed the following:

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

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

BOARD EVALUATION

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

3. Committees of the Board:

A. Audit Committee

The composition and the Terms of Reference of the Audit Committee meet with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the audit committee and the details of meetings attended by its members for the year ended on March 31, 2021 are given below: The Company Secretary act as secretary to Audit Committee.

Name	Category of Director	Number of Meetings during the Year 2020-21	
		Held	Attended
Mr. Divyakant R. Zaveri	Chairman, Non-Executive Independent	4	4
Ms. Paresh J Mistry	Member, Non-Executive Non-Independent	4	3
Mr. Bharat D. Mehta	Member, Non-Executive Independent	4	4

During the financial year, four meetings of Audit Committee were held i.e. on May 30, 2020, August 07, 2020 November 06, 2020 & February 11, 2021. The necessary quorum was present at the meeting.

The CFO as an invitee attends the meetings regularly.

The Audit Committee of the Board was reconstituted with effect from May 30, 2020 as under:

1.	Mr. Divyakant Zaveri	Chairman	Non-Executive Independent Director
2.	Mr. Bharat Mehta	Member	Non-Executive Independent Director
3.	Mr. Paresh J Mistry	Member	Non-Executive Non-Independent Director

*Ms. Poornima Karvat, an Independent Director of the Company had resign from Directorship with effect from May 30, 2020.

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

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

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

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

The Previous Annual General Meeting (AGM) of the company was held on September 29, 2020.

B. Nomination and Remuneration Committee

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

The Company has a duly constituted Nomination and Remuneration Committee of directors during the year ended on March 31, 2021 which was earlier known as Remuneration/Compensation Committee. During the financial year, there were Two (2) numbers of meetings of Nomination & Remuneration Committee held. The necessary quorum was present at the meeting. Nomination and Remuneration Committee met on May 30, 2020 and August 07, 2020.

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

Name	Category of Director	Number of Meetings during the Year 2020-21	
		Held	Attended
Mr. Bharat D. Mehta	Chairman, Non-Executive Independent	2	2
Mr. Divyakant R. Zaveri	Member, Non-Executive Independent	2	2
Ms. Janki Shah	Member, Non-Executive Non- Independent	2	1

The Nomination and Remuneration Committee of the Board was reconstituted with effect from May 30, 2020 as under:

1.	Mr. Divyakant Zaveri,	Member	Non-Executive Independent Director
2.	Mr. Bharat Mehta,	Chairman	Non-Executive Independent Director
3.	Ms. Janki R Shah,	Member	Non-Executive Non-Independent Director

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

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

Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration of the Directors, Key managerial Personnel and other employee.

Formulation of criteria for evaluation of performance of Independent Directors and the Board; Devising a policy on Board diversity;

Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of Independent Directors

Remuneration Policy:

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

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

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

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

Name of Director	Sitting Fees Paid
Mr. Divyakant R. Zaveri	44000
Mr. Bharat D. Mehta	44000
Ms. Poornima D. Karvat	12000
Mr. Paresh J Mistry	36500
Mr Dilip Shah	22500
Ms Janki Shah	29000

For the year ended on March 31, 2021 Mr. Rajendra R Shah, Managing Director was paid remuneration of Rs. 11,50,000 and perquisite of Rs. 6,05,099 aggregate value thereof was Rs. 17,55,099 with approval of shareholders, Mr. Rajendra Shah has been appointed as the Managing Director for tenure of Three years with effect from April 01, 2020 which can be terminated by either party giving three months' notice in writing.

Non-Executive Directors do not draw any remuneration except Mr. Paresh J Mistry who hold office of Purchase Manager. Mr. Divyakant R. Zaveri who was paid Professional fees during the year under review. However, they were paid per meeting sitting fees @ Rs. 5000 for Board Meeting and @ 1500 for each committee meeting during the year under review. For Annual Board Meeting, sitting fees is Rs. 7500 per meeting.

Mr. Paresh J Mistry was paid remuneration of INR 8,96,826 for the year ended on March 31, 2021 for holding and working as Manager Purchase of the Company.

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

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

C. STAKEHOLDER RELATIONSHIP COMMITTEE

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

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

Stakeholders Relationship Committee comprises of 2 (Two) Non-Executive Independent Directors namely Mr. Bharat Mehta, Mr. Divyakant Zaveri and 1 (one) Non executive Non-Independent director Mr. Paresh Mistry as at March 31, 2021

Name	Category of Director	Number of Meetings during the Year 2020-21	
		Held	Attended
Mr. Paresh Mistry	Chairman, Non-Executive Independent	4	4
Mr. Divyakant R. Zaveri	Non-Executive Independent	4	4
Mr. Bharat D. Mehta	Non-Executive Independent	4	4

Ms. Kinjal Khandelwal, Company Secretary is the Compliance Officer.

The Stakeholder Relationship Committee of the Board was reconstituted with effect from May 30, 2020 as under:

1.	Mr. Divyakant Zaveri,	Member	Non-Executive Independent Director
2.	Mr. Bharat Mehta,	Member	Non-Executive Independent Director
3.	Mr. Paresh J Mistry	Chairman	Non-Executive Non-Independent Director

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

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of Companies Act, 2013, the Company has formulated Corporate Social Responsibility (CSR) Policy in accordance with Section 135 of the Companies Act, 2013

However the Company has been pursuing CSR activities in the area of promotion of education in medical field by providing scholarship and other amenities to the medical students.

Subsequent to resignation of Mrs. Poornima Karvat as an Independent Director, Corporate Social Responsibility Committee of the Company was reconstituted with effect from May 30, 2020. Composition of Committee is under:

1.	Mr. Divyakant Zaveri	Member	Non-Executive Independent Director
2.	Mr. Bharat Mehta	Member	Non-Executive Independent Director
3.	Mr. Rajendra Shah	Chairman	Managing Director
4.	Mr. Dilip R Shah	Member	Non-Executive Non Independent Director

The CSR policy of the Company is placed on the website of the Company www.mercurylabs.com.

4. GENERAL BODY MEETING

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

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

AGM for the financial year ended	Day Date & Time of AGM	Place of AGM	Special Resolutions passed
March 31, 2020	29 th September 2020 at 11:00 AM	VC/OAVM	1. Re-appointment of Mr. Rajendra R Shah (DIN: 00257253) as Managing Director for a further period of 3 (Three) years 2. Appointment of Ms. Janki R Shah (DIN: 08686344) as Director of the Company 3. Payment Of remuneration to Non-Executive Directors. 4. Ratification of remuneration of Cost auditor
March 31, 2019	28 th September 2019 at 12:00 Noon	At the Electric Merchant's Association Hall, Room No. 12, Shreeji Bhuvan, 51, Mangaldas Road, Princess street, Mumbai - 400 002.	1. Re-appointment of Mr Divyakant Zaveri as independent director Non-Executive Director 2. Re-appointment of Mr Bharat Mehta as independent director Non-Executive Director. 3. Payment of Managerial Remuneration. 4. Payment Of remuneration to Non-Executive Directors. 5. Approval of Remuneration to Managing director 6. Ratification of remuneration of Cost auditor
March 31, 2018	14 th September 2018 at 12:00 Noon	At the Electric Merchant's Association Hall, Room No. 12, Shreeji Bhuvan, 51, Mangaldas Road, Princess street, Mumbai - 400 002.	1. Appointment of Paresh Mistry as Director of the Company 2. Approval of payment of remuneration to Paresh Mistry 3. Ratification of remuneration payable to Jeegar Patel & co. 4. Inviting/accepting/renewal of deposits from members under section 73 of companies act.

b) Whether any special resolution passed last year through postal ballot – details of voting pattern: None

Person who conducted the postal ballot exercise: Not Applicable

Postal Ballot Voting Pattern: Not Applicable

Procedure for Postal Ballot: Not Applicable

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

5. Disclosure

I. Related Party Transactions:

All contracts / arrangements / transaction entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with policy of the Company. The Policy dealing with related party transaction as approved by the Board may be accessed on the Company's website at the link: <http://www.mercurylabs.com>.

II. Details of Non Compliances by the Company, penalties, strictures imposed on the Company by the Stock Exchange or Securities and Exchange Board of India or any Statutory authority on any matter related to capital markets, during the last three year 2018-19 2019-20 & 2020-21 respectively: Nil

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

IV. Vigil Mechanism/Whistle Blower Policy

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

V. Code of Conduct

The members of the Board and senior management personnel have affirmed the compliance with the code applicable to them during the year ended on March 31, 2021. The Annual Report of the Company contains a certificate by the CEO and Managing Director in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 based on Compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.

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

Reconciliation of share capital audit:

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

VI. Means of Communication

The Quarterly, Half yearly and Annual results of the company are normally published in free press journals in English and in Nav Shakti in Marathi News Papers having wide circulation. The Financial results are also displayed on the Company's website viz www.mercurylabs.com and posted on the BSE Corporate Compliance & Listing Centre. Official news releases and presentations made to institutional investors and analysts are posted on the Company's website.

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

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

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

VII. General Shareholder information

i. Annual General Meeting date, time and venue:

Day, Date & Time	Tuesday, September 28, 2021 at 11:30 a.m
Venue	Through Video Conferencing / OAVM

ii. Financial Calendar

Financial Year: April 1 to March 31

For the financial year 2020 – 21, the results were announced as per the following details:

1st Quarter ended on June 30, 2020	August 07, 2020
2nd Quarter ended on September 30, 2020	November 06, 2020
3rd Quarter ended on December 31, 2020	February 11, 2021
Audited Financial Result for the year ended on March 31, 2021	May 27, 2021

For the financial year 2021-22, financial results will be announced as per the following tentative schedule:

1st Quarter ended on June 30, 2021	First week of August, 2021
2nd Quarter ended on September 30, 2021	First week of November, 2021
3rd Quarter ended on December 31, 2021	First week of February, 2021
Audited Financial Result for the year ended on March 31, 2022	Last week of May, 2022

iii. **Dividend Payment Date** : On or after September 28, 2021

iv. **Date of Book Closure**

The Company's Register of Member's & Share Transfer Book will remain closed from September 22, 2021 to September 28, 2021 (both days inclusive).

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

The Company has paid the listing fees to this Stock Exchange for the year 2020-21.

vi. **Stock Code on BSE Ltd.** : 538964

vii. **ISIN Code in NSDL and CDSL for Equity Shares** : INE947G01011

viii. **Corporate identity number (CIN) of the Company** : L74239MH1982PLC026341

ix. **Investors can find web link for Material Subsidiary Policy**

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

x. **Investors can find web link for Related Party Transaction Policy**

<http://investor.mercurylabs.com/wp-content/uploads/2019/11/Related-Party-Transaction-Policy.pdf>

xi. **Disclosures under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013**

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2021 are given in the Board's Report as well as in the Business Responsibility Report.

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

xii. **Credit Ratings for Fixed Deposits:**

The Credit Ratings reaffirmed/assigned to the Fixed Deposits of the Company during the financial year 2020-21 is Fixed Deposits upto 3Cr. : FB+/Stable

xiii. **Market price data:**

High / Low in each month of year 2020-21 on the Bombay Stock Exchange Limited, Mumbai.

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April	281.00	267.00	October	498.00	370.50
May	503.30	280.50	November	502.00	366.00
June	456.55	330.80	December	548.95	450.00
July	330.65	281.05	January	766.50	440.45
August	467.00	304.30	February	768.00	572.00
September	453.95	371.00	March	692.00	551.05

xiv. **Performance of the share price of the Company compared to the BSE Sensex:**

Month & Year	Closing Sensex	% Change	Closing Price of Company's share	% change
April 2020	33,717.62	14.42	267.50	(4.87)
May 2020	32,424.10	(3.48)	465.85	74.29
June 2020	34,915.80	7.68	330.80	(48.15)
July 2020	37,606.89	7.71	304.30	(8.01)
August 2020	38,628.29	2.72	420.00	41.17

September 2020	38,067.93	(1.45)	399.75	(6.65)
October 2020	39,614.07	4.06	408.95	2.48
November 2020	44,149.72	11.45	489.65	21.78
December 2020	47,751.33	8.16	508.75	5.22
January 2021	46,285.77	(3.07)	619.80	24.67
February 2021	49,099.99	6.08	681.15	13.93
March 2021	49,509.15	0.83	642.55	(6.75)

xv. Registrar and Share Transfer Agent:

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

xvi. Share transfer system:

Transfers of shares held in Demat Form are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer can be lodge with M/s. link Intime India Pvt. Ltd. At the above mentioned address.

Transfer of shares in physical form is normally processed within fifteen days from the date of receipt, if the documents are complete in all respects.

xvii. Categories of Shareholding and Dematerialization of Shares as on March 31, 2021.

Category	Numbers of shares in physical form	Number of shares in dematerialized form	Number of total shares	Percentage of aggregate holding to total share capital
Promoters	0	883900	883900	73.66%
Foreign Institutional investors	0	0	0	0.00%
Public financial institutions	0	0	0	0.00%
Mutual funds	0	0	0	0.00%
Nationalized banks and other banks	0	0	0	0.00%
NRI's and OCB's	23300	9230	32530	2.71%
Others (includes holding of Corporate Bodies)	67300	216270	283570	23.63%
TOTAL	90600	1109400	1200000	100.00%
Percentage	7.55	92.45	100	

xviii. Distribution of Share Holding as on March 31, 2021

No. of Shares	Number of shareholders	Percentage of Total	Number of shares	Percentage of total shares
1 to 500	899	93.06	102308	8.53
501 to 1000	21	2.17	16895	1.41
1001 to 2000	16	1.66	26255	2.19
2001 to 3000	7	0.72	18661	1.56
3001 to 4000	5	0.52	18700	1.56
4001 to 5000	1	0.10	4500	0.38
5001 to 10000	3	0.31	17081	1.42
10001 and above	14	1.45	995600	82.97
Total	966	100	1200000	100.00

xix. The Company has not issued any GDRs / ADRs or any convertible instrument.

xviii. Pant locations: Unit 1: At 2/13-14 BIDC, Gorwa Industrial Estate, Baroda
 Unit 2: At Jarod, Dist. Vadodara

xix. Address for Correspondence for Settlement of shares related:

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

xx. Registered Office & Address for correspondence:**- Registered Office Address:**

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

- Corporate Office: 2/13-14, Gorwa Industrial Estate, Gorwa Road, Vadodara – 390 016
Email: secretarial@mercurylabs.com Website: www.mercurylabs.com

6. Certificate from Practicing Company Secretaries:

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

7. Total fees paid to M/s. R J Shah & Associates, Statutory Auditors:

Total fees (excluding taxes) for all services paid by the Company on a consolidated basis, to M/s. R J Shah & Associates, Statutory Auditors within the network firm/network entity of which the statutory auditor is a part, is INR 2,00,000/-.

8. Information flow to the Board Members:

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

9. Code of Conduct for Prevention of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 including amendments thereof, the Company has adopted a comprehensive Code of Conduct for Prohibition of Insider Trading and procedures for fair disclosure of Unpublished Price Sensitive Information.

On behalf of the Board of Directors,

Date: May 27, 2021

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

Dilip R Shah
Director
DIN:00257242
Place:USA

**To,
The Members
Mercury Laboratories Limited
CIN: L74239MH1982PLC026341**

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

**For Mitesh Rana & Co.,
Company Secretaries**

**Mitesh Rana
Proprietor
Membership No.: ACS 28113
CP No.: 12364
UDIN: A028113000376989**

Date: May 27, 2021

Place: Vadodara

CEO and CFO Certification

We Rajendra R Shah, Managing Director, Ms. Enu Khandelwal Chief Financial Officer certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2021 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware have been disclosed to the Auditors and the Audit Committee and the steps have been taken to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) There has not been any significant changes in internal control over financial reporting during the year under reference;
 - (2) There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (3) We are not aware of any instances during the year of significant fraud with involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 27/05/2021

Rajendra R Shah
Managing Director

Enu Khandelwal
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To, The Members of Mercury Laboratories Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Financial Statements of MERCURY LABORATORIES LIMITED ("the Company") which comprise the Balance sheet as at 31st March, 2021, the Statement of Profit & Loss 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.

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 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 state of affairs of the Company as at March 31, 2021, and profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, 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 Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for Audit of the Financial Statements

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

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

Appendix A to Independent Auditors' Report

Further description of Auditor's responsibilities for audit of financial statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 ("the order") issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013, we enclose in the Annexure-A, a statement on the matters specified in paragraph 3 & 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our Audit;
 - b) In our opinion, proper books of accounts as required by the law have been kept by the Company, so far as appears from our examination of the said books;
 - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company;
 - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of written representations received from the directors, as on 31st March, 2021, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2021 from being appointed as a director of the Company in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate report in Annexure – B attached herewith.
- g) The remuneration paid by company to its directors is in accordance with the provisions of section 197 of the companies Act 2013 read with Schedule V and is not in excess of the limits specified therein.
- h) With respect to the other matters to be included in our Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has no pending litigation as on the balance sheet date except as mentioned in Note 27 of the Financial Statements.
 - (ii) There are no long term contracts for which provision is required.
 - (iii) There has been no delay in transferring amounts required to be transferred to the Investor Protection Fund by the Company.

**FOR, R J SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(F.R.N. 109752W)**

**NAYAN R DHOLAKIA
PARTNER
(M NO. 037350)
UDIN: 21037350AAAAAX5965**

**Date : : May 27, 2021
Place: Vadodara**

“ANNEXURE – A” TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31st March 2021 of MERCURY LABORATORIES LIMITED)

- (I) (a) The Company has maintained proper records showing full particulars including Quantitative Details and situation of the Fixed Assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (C) The title deeds of the immovable properties are held in the name of the company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in the books of accounts.
- (iii) The Company has not granted any loan, secured or unsecured, to Companies, Firms or Other Parties covered in the register maintained u/s. 189 of the Companies Act, 2013 during the year under report. Consequently, no comments are necessary on Para (iii) (a) (b) & (c) of CARO 2016.
- (iv) The Company has not granted any loans or advances or has not given any guarantee or has not acquired securities of any other body corporate exceeding sixty percent of its paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more and hence the question of compliance of Section 185 and 186 of Companies Act, 2013 doesn't arise.
- (v) The Company has accepted deposits from members/directors and the same is in compliance with the provisions of Section 73 to 76 of the Companies Act, 2013.
- (vi) We have broadly reviewed the cost records maintained by the company for its products pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed cost records have been made and maintained. However, we have not made a detailed examination of these records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Excise Duty, and other material statutory dues applicable to it.
- (b) According to the records of the company, there are no dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty, Goods and Services Tax, Cess which have not been deposited on account of any dispute
- (c) The amount required to be transferred to Investor Education and Protection Fund in terms of Section 642 of the Companies Act, 1956 read with sub-section (3) of Section 205C of the said Act and the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001 has been duly transferred.
- (viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) except a term loan which has been applied for the purpose for which it was raised.

- (x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards, Ind AS-24 "Related Party Disclosures".
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly the provisions of 3(xvi) of the order are not applicable to the Company.

**FOR, R. J. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(F.R.N. 109752W)**

**Date : May 27, 2021
Place: Vadodara**

**NAYAN R DHOLAKIA
PARTNER
(M. R. N. 037350)
UDIN: 21037350AAAAAX5965**

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

We have audited the internal financial controls over financial reporting of **MERCURY LABORATORIES LIMITED** (“the Company”), as on **31st March, 2021** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

**FOR, R J SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(F.R.N. 109752W)**

**Date : May 27, 2021
Place: Vadodara**

**NAYAN R DHOLAKIA
PARTNER
(M. R. N. 037350)
UDIN: 21037350AAAAAX5965**

AUDITED BALANCE SHEET AS AT MARCH 31, 2021

Sr. No.	Particulars	Note No	As at MARCH 31, 2021	As at MARCH 31, 2020
	ASSETS			
(1)	Non current Assets			
	(a) Property, Plant and Equipment	3.1	26,27,35,200	23,61,51,212
	(b) Capital work-in-progress	3.2	-	-
	(c) Intangible Assets	3.3	8,37,681	4,33,757
	(d) <u>Financial Assets</u>			
	(i) Investments	4.1	63,000	63,000
	(ii) Loans	4.2	-	-
	(iii) Other Non current Assets	4.3	1,21,06,468	1,12,31,025
(2)	Current assets			
	(a) Inventories	5	5,15,84,423	5,50,77,663
	(b) <u>Financial Assets</u>			
	(i) Investments	6.1	-	-
	(ii) Trade receivables	6.2	22,53,73,717	18,13,96,566
	(iii) Cash and cash equivalents	6.3	3,03,08,038	1,29,57,445
	(iv) Bank Balances other than (iii) above	6.4	1,83,53,507	1,21,10,926
	(v) Loans	6.5	47,32,550	49,84,253
	(vi) Other financial assets	6.6	1,41,698	5,84,195
	(c) Other current assets	7	4,74,71,869	4,79,93,768
	Total Assets		65,37,08,151	56,29,83,810
	EQUITY AND LIABILITIES			
(1)	Equity			
	(a) Equity Share capital	8	1,20,00,000	1,20,00,000
	(b) Other Equity	9	35,69,45,502	30,77,70,527
	Total equity attributable to equity holders of the Company		36,89,45,502	31,97,70,527
(2)	LIABILITIES			
	Non-Current liabilities			
	(a) Provisions	10	1,27,47,998	1,18,98,847
	(b) Deferred Tax Liability	11	2,12,78,846	1,73,99,923
	(c) Borrowing	11.1	6,23,99,115	6,32,61,048
(3)	Current liabilities			
	(a) <u>Financial Liabilities</u>			
	(i) Trade payables	12	11,78,07,742	8,42,77,556
	(ii) Other financial liabilities	13	2,66,78,896	2,66,03,104
	(b) Other current liabilities	14	2,34,17,207	2,74,97,349
	(c) Provisions	14.1	-	-
	(c) Current Tax Liabilities (Net)	15	2,04,32,845	1,22,75,456
	Total Liabilities		28,47,62,649	24,32,13,283
	Total Equity and Liabilities		65,37,08,151	56,29,83,810

The Notes referred to above form an integral part of financial statement as per our report of even date

For R. J. Shah & Associates
Chartered Accountants
F.R.N.109752W

For and behalf of the Board
Mercury Laboratories Ltd .

Nayan R. Dholakia
Partner
M.No.037350
Place : Vadodara
Date: 27-05-2021
UDIN: 21037350AAAAAX5965

Rajendra R. Shah
Managing Director
DIN: 00257253

Dilip R Shah
Director
DIN: 00257242
Place: USA

Enu Khandelwal
Chief Financial Officer
Place : Vadodara
Date: 27-05-2021

Kinjal Khandelwal
Company Secretary

AUDITED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021

	Particulars	Note No.	For the period ended on March 31, 2021	For the period ended on March 31, 2020
I	Revenue From Operations	16	68,60,14,582	57,26,91,508
II	Other Income	17	88,02,782	84,95,090
III	Total Income (I+II)		69,48,17,364	58,11,86,598
IV	EXPENSES			
	Cost of materials consumed	18	29,48,40,539	23,07,49,255
	Purchase of Stock in trade		1,52,62,114	1,72,52,389
	Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress	19	15,87,985	84,21,593
	Excise duty on sale of goods		-	-
	Employee benefits expense	20	9,79,95,754	9,30,12,077
	Finance costs	21	64,14,829	81,74,882
	Depreciation and amortization expense		1,92,05,169	1,86,88,581
	Other expenses	22	18,04,21,061	16,15,97,245
	Total expenses (IV)		61,57,27,451	53,78,96,022
V	Profit/(loss) before exceptional items and tax (I-IV)		7,90,89,913	4,32,90,576
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		7,90,89,913	4,32,90,576
VIII	Tax expense:			
	(1) Current Tax		2,02,76,715	1,21,19,326
	(2) Incometax of previous year		15,59,300	(2,89,757)
	(3) Deferred tax		38,78,923	(8,20,555)
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		5,33,74,975	3,22,81,562
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		5,33,74,975	3,22,81,562
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		-	-
	A (ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	- Remeasurement of Defined benefit plans		-	-
XV	Total other comprehensive income (A (i - ii))		-	-
XVI	Total comprehensive income for the period (XIII + XV)		5,33,74,975	3,22,81,562
XVII	Earnings per equity share (for continuing operation):			
	(1) Basic		44.48	26.90
	(2) Diluted		44.48	26.90
XVIII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XIX	Earnings per equity share (for discontinued & continuing operations)			
	(1) Basic		44.48	26.90
	(2) Diluted		44.48	26.90

The Notes referred to above form an integral part of financial statement as per our report of even date

For R. J. Shah & Associates
Chartered Accountants
F.R.N.109752W

Nayan R. Dholakia
Partner
M.No.037350
Place : Vadodara
Date: 27-05-2021
UDIN : 21037350AAAAAX5965

For and behalf of the Board
Mercury Laboratories Ltd .

Rajendra R. Shah
Managing Director
DIN: 00257253

Enu Khandelwal
Chief Financial Officer
Place : Vadodara
Date: 27-05-2021

Dilip R Shah
Director
DIN: 00257242
Place: USA

Kinjal Khandelwal
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021
 (Pursuant to clause 32 of listing agreement)

Item	For the Year ended 31.3.2021 Rupees	For the Year ended 31.3.2020 Rupees
A. Cash flow from Operating Activities :		
<i>Net Profit before Tax & Extra Ordinary Items</i>	7,90,89,913	4,32,90,576
Adjustment for :		
Depreciation & Write-offs	1,92,05,169	1,86,88,581
Loss/(Profit) on Sale of Investments/Assets	-	-
Bad Debts	-	-
Interest	64,14,829	81,74,882
Operating Profit before Working Capital Changes	10,47,09,911	7,01,54,039
Adjustments for :		
(Increase)/Decrease in Trade Receivables	(4,39,77,151)	1,14,88,502
(Increase)/Decrease in Inventories	34,93,240	1,27,49,910
(Increase)/Decrease in Loans & Advances	2,51,703	(22,82,011)
(Increase)/Decrease in other current assets	9,64,396	(45,84,941)
Increase/(Decrease) in Trade Payable	3,35,30,186	(3,23,91,271)
Increase/(Decrease) in Other Current Liabilities	(40,04,350)	1,10,35,159
Increase/(Decrease) in Long term provisions	8,49,151	10,06,650
<i>Cash Generated from Operations</i>	9,58,17,087	6,71,76,036
Interest Paid	-	-
Direct Taxes Paid (Net of Refund)	(1,36,78,626)	(1,22,51,063)
<i>Cash Flow before Extra Ordinary Items</i>	8,21,38,461	5,49,24,973
Prior Period Items (being cash items)	-	-
Net Cash Flow from Operating Activities	8,21,38,461	5,49,24,973
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(4,61,93,082)	(1,14,07,671)
Net Proceeds from Sale of Fixed Assets	-	-
Dividend Received	-	-
Investments	-	-
Sale of Investments	-	-
Net Cash used in Investment Activities	(4,61,93,082)	(1,14,07,671)
C. Cash Flow from Financing Activities		
Interest Paid	(64,14,829)	(81,74,882)
(Increase)/Decrease in Other Non current Assets	(8,75,443)	(11,74,026)
Increase/(Decrease) in Short Term Borrowings	-	-
Increase/(Decrease) in Long Term Borrowings	(8,61,933)	(2,17,54,395)
Dividend Paid (incl. Tax Thereon)	(42,00,000)	(21,69,996)
Net Cash used in Financing Activities	(1,23,52,205)	(3,32,73,299)
D. Net Increase/(Decrease) in Cash and Cash Equivalents	2,35,93,174	1,02,44,003
Cash and Cash Equivalents at beginning of the year	2,50,68,371	1,48,24,368
Cash and Cash Equivalents at the end of the year	4,26,88,285	2,31,71,093
Earmarked balances with banks (Margin Money)	59,73,260	18,97,278
Note : Cash & Bank balances at the end of the year	4,86,61,545	2,50,68,371

As per our Report of Even Date

For R. J. Shah & Associates
 Chartered Accountants
 F.R.N.109752W

Nayan R. Dholakia
 Partner
 M.No.037350
 Place : Vadodara
 Date: 27-05-2021
 UDIN: 21037350AAAAAX5965

For and behalf of the Board
 Mercury Laboratories Ltd .

Rajendra R. Shah
 Managing Director
 DIN: 00257253

Enu Khandelwal
 Chief Financial Officer
 Place : Vadodara
 Date: 27-05-2021

Dilip R Shah
 Director
 DIN: 00257242
 Place: USA

Kinjal Khandelwal
 Company Secretary

Statement Of Changes In Equity For The Period Ended 31st March, 2021

a. Equity Share Capital :

As At 31st March, 2020	1,20,00,000
Changes in equity share capital	-
As At 31st March, 2021	1,20,00,000

b. Other Equity :

Particulars	Reserves and Surplus			
	General Reserve	Securities Premium Reserve	Retained Earnings	Total Equity
As At 01 April, 2019	26,41,27,913	36,00,000	99,31,049	27,76,58,962
Profit for the year		-	3,22,81,562	3,22,81,562
Other comprehensive income for the year	-	-		-
Add/(Less): Adjustment related to Expected Loss on Trade Receivables,				-
Add/(Less): Adjustment related to Deferred Tax for Expected Loss on Trade Receivables.				-
Dividends paid including dividend tax thereon	-	-	(21,69,996)	(21,69,996)
Depreciation consequent to revaluation adjusted	-	-		-
Remeasurement of the Net Defined benefit liability/asset, net of tax effect	-	-	-	-
Transfer to General Reserve	2,50,00,000		(2,50,00,000)	-
Transfer to PPE		-	-	-
As at 31 March, 2020	28,91,27,913	36,00,000	1,50,42,615	30,77,70,528
As At 01 April, 2020	28,91,27,913	36,00,000	1,50,42,615	27,76,58,962
Profit for the year			5,33,74,975	5,33,74,975
Other comprehensive income for the year				-
Dividends paid including dividend tax thereon			(42,00,000)	(42,00,000)
Depreciation consequent to revaluation adjusted				-
Remeasurement of the Net Defined benefit liability/asset, net of tax effect				-
Transfer to General Reserve	3,50,00,000		(3,50,00,000)	-
As at 31 March, 2021	32,41,27,913	36,00,000	2,92,17,590	35,69,45,503

Notes to the Ind AS Financial Statements for the year ended March 31,2021**1. Company Overview**

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

The company is engaged into the manufacturing and export of wide range of Pharmaceutical items. The products of the company are in the segment of gynae and pediatrics. The financial statements of the company for the year ended 31st March 2021 were authorized for issue in accordance with a resolution of the Board of directors on 27th May, 2021.

2. Significant Accounting Policies:

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Compliance with Ind AS

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2017.

Accordingly, these financial statements as and for the year ended March 31, 2021 & March 31, 2020 have been prepared in accordance with Ind AS.

b) Use of Judgments, Estimates and Assumptions

The Preparation and Presentation of Financial Statements as per the above bases required the management to make estimates and assumptions that may affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the balance sheet and the reported amounts of incomes and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimated.

a Determination of the estimated useful life of property plant and equipment

Useful life of property plant and equipment is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

- b. Defined benefit plans (gratuity benefits)** A liability in respect of defined benefit plans is recognized in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.
- c. Taxes** There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.
- d. Fair value measurement of financial instruments** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.
- e. Provision against obsolete and slow-moving inventories** The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realizable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

- f. **Impairment of financial assets** The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. 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 the forward-looking estimates are analyzed.
- g. **Impairment of non- financial assets** The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.
- h. **Other Provisions** Significant estimates are involved in the determination of provisions. Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated.
- i. **Fair value measurement of financial instruments** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.
- j. **Provision against obsolete and slow-moving inventories** The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realizable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing goods and service tax and other indirect taxes.

Sale of Goods

Revenue from sales is recognised when all significant risks and rewards of ownership and control of the commodity sold are transferred to the customer which generally coincides with delivery.

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

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

Sale of Scrap

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

Other income

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

Export Benefits

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

d) Property, Plant and Equipment**(i) Property, plant and equipment**

Freehold land is carried at historical cost. All other items of PPE are stated at cost, and comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use less accumulated depreciation and impairment loss.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Spare parts are treated as capital assets when they satisfy the definition of property plant and equipment otherwise such items are classified as inventory.

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

(ii) Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment.

The cost of such construction is classified and capitalized to the appropriate categories of property plant and equipment when completed for intended use. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non Current Assets" and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

(iii) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Research costs are expensed as incurred. Product development expenditure incurred on individual product project is recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset and use or sell it;
- Its ability to use or sell the asset;
- The availability of adequate resources to complete the development and to use or sell the asset;
- The ability to measure reliably the expenditure attributable to the intangible asset during development

e) Amortization

Any expenditure capitalized as technical know-how is amortized on a straight line basis over the period over which the benefit is derived by the company

Derecognition of intangible assets

Intangible assets are derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gain or losses arising from the derecognition of an intangible asset measured on the differences between the net disposable proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognized.

Depreciation

Depreciation method, estimated useful lives and residual value

- (i) Depreciation on property, Plant and equipment is being provided on the Straight Line Method on the basis of useful lives specified in part C of schedule II to the Companies Act, 2013.
- (ii) No depreciation is being provided on the assets sold during the year. On the additions during the year, depreciation has been provided pro-rata on the basis of number of days for which the asset was used during the year.

- (iii) Depreciation on property, plant and equipment is provided based on the useful life and in the manner prescribed in schedule-II of companies Act 2013 in respect of following categories of assets where useful life of the property, plant and equipment have been determined by the management based on the technical assessment and evaluation.

f) Inventories

- i. Inventories are measured at 'Cost or Net Realizable Value whichever is lower'. Raw material and packing material are measured on FIFO basis after providing for obsolescence and other losses as considered necessary. 'Cost' includes all duties, taxes and other expenses incurred to bring the inventories to their present location and condition, except duties and taxes which are subsequently recoverable from the taxing authorities.
- ii. Finished goods produced by the company are valued at lower of cost or net realizable value.
- iii. Semi-Finished goods have been valued at Raw Material cost, labour proportion of manufacturing overheads in consonance with the stage of completion or net realizable value based on normal operating capacity.
- iv. Stock of goods purchased for resale purposes are valued at their acquisition cost inclusive of all duties and taxes or Net Realizable Value whichever is lower.

g) Research and Development Cost

Research and development cost, where applicable, includes the salary and perquisites offered to Company personnel directly involved with this activity and any other expense directly identifiable with this activity.

h) Equity Investments

Investments are classified as Current & Long Term Investments. Long Term Unquoted Investments are stated at Cost.

i) Foreign Currency Transactions

Transactions in foreign currency to the extent not covered by forward contract, are recorded in Indian Rupees at the exchange rate prevailing on the date of the transactions. Exchange gains or losses on settlement, if any, are treated as income / expenditure respectively in the Statement of Profit & Loss except those relating to acquisition of fixed assets, if any, which are adjusted in the cost of such assets. Liabilities in foreign currency as well as receivables in foreign currency as on the date of the Balance Sheet have been restated at the rates of exchange prevailing as on the date of Balance Sheet. However, if the liabilities / receivable have been actually realized subsequently, the same have been recorded at that value.

j) Retirement Benefits

Employee Benefits comprise short term as well as long term defined benefit as well as defined contribution plans.

Contributions to Provident Fund are defined contributions. The Company's Contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no further obligations beyond the periodic contributions.

Retirement Benefits in form of Gratuity are defined benefit obligations and are provided for on the basis of actuarial valuation using projected unit credit method as at the balance sheet date. Actuarial gain / losses are immediately taken to the Statement of Profit and Loss and are not deferred.

Entitlement of employees accumulating earned leave and eligibility of compensation or encashment of the same is also a defined benefit obligation. In terms of the policy of the Company regarding accumulation of earned leave or encashable or compensatory leave, the obligation is treated as long term in nature. The value of obligation towards the same is provided for on the basis of actuarial valuation using projected unit credit method as at the balance sheet date. Actuarial gain / losses are immediately taken to the Statement of Profit and Loss and are not deferred.

k) Borrowing Costs

General or specific borrowing costs directly attributable to acquisition / construction or production of qualifying assets are capitalized as part of the cost of that Fixed Asset. A qualifying asset is one that necessary takes substantial period of time to get ready for its intended use. All other borrowing costs are charged as an expense in the period in which they are incurred. Borrowing cost consist of interest and other cost that the company incurs in connection with the borrowing of funds.

l) Taxes on Income**Current Taxes (including minimum alternate tax)**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Provision for taxation for the year under report includes provision for current tax, unassessed liability of previous years income tax as well as provision for deferred tax.

Deferred tax

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized

- i. Deferred tax is recognized, subject to prudence, on timing differences between taxable income and accounting income that originate during the year and are capable of being reversed in one or more subsequent periods. Deferred tax assets/liabilities are recognized only to the extent that there is a reasonable certainty that future taxable income will be available against which such deferred tax assets can be realized.
- ii. Deferred Tax Liabilities / Assets are quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilized when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit are recognized to the extent that it is probable that the unused tax credit can be utilized in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

m) Impairment of Assets

In accordance with Ind AS-109 the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

n) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All other leases are classified as operating leases

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term.

o) Contingencies / Provisions

Contingencies which can be reasonably ascertained are provided for i.e. a provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reasonable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Other Contingencies, the outcome of which is not certain, have been disclosed in these notes as Contingent Liabilities. Contingent Assets have not been provided for.

p) Changes in Accounting Policy

Changes in Accounting Policies, having a material bearing on the financial affairs of the Company are disclosed separately along with the amount by which any item in the financial statements is affected by such change wherever same is available.

q) Segment Reporting

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

r) Financial Assets & Financial Liabilities

With respect to Ind AS- 109 Financial Instruments, all financial assets and liabilities are recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit and loss, are adjusted to the fair value on initial recognition. Purchase and Sale 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 recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing asset or liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/profit in case of financial assets or liabilities.

s) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash on hand, cheques on hand, demand deposits with the banks.

t) Allowance for expected credit loss

The expected credit allowance is based on the aging of the days receivable which are past due and the rates derived based on past history of defaults in the provisions.

u) GST Input Credit

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

v) Earnings per Share

Basic earnings per share are computed by dividing the net profit by the number of equity shares outstanding at the end of the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year.

w) Covid -19 Impact.

- 1] Due to partial lock down in Gujarat, Maharashtra and other parts of India, our number of associates who were supplying packing materials, print materials, raw materials were partially open. However, we had tried our level best to get the things from time to time by providing man power, transportation to them.
- 2] To ensure social distancing and face mask, we had initiated 33% of the staff in rotation to work for six days in a week and part of the staff were allowed to work from home. We have also reduced our workers to 30% to 40% and ensured to comply government guidelines such as maintaining social distancing, wearing mask, sanitization, fogging and fumigation.

- 3] Our domestic marketing activities were standstill due to complete lockdown in certain states such as Delhi, UP, West Bengal, Bihar and part of the states had curfew effective in the evening till next morning such as M.P, Gujarat, Rajasthan. Our field staff and our distribution are making level best to ensure that products are made available at the stockists level and distribution level.
- 4] Limitations - Transportation & Logistic : The company facing difficulty due to curfew in the night and this resultant in to delay in delivery time and increased to 2-3 times in majority of the locations. Due to Lockdown and curfew in the evening and night, most of the consulting room and retail pharmacy are shut down. This affected our sales, liquidity, collection, revenue and profitability substantially and our company had financial hit.

3.1 Property, Plant & Equipment

Particulars	Land	Factory Building, Baroda	Janol New Building (MID)	Tabala Building- Janol	Janol Building- MID	Autohill- Bombay	Janol Building New Project	Plant & Machinery	ETP-Plant	Air Condition	A/C- Chiller Plant	Laboratory Instruments	Furniture & Fixtures	Computers	Electrical Installation	Vehicle-Motor Car	Vehicle-Scooter	Office Equipment	Solar Panel	Total
Gross carrying amount	67,35,597	1,67,45,571	2,54,57,132	99,05,175	17,93,991	7,77,777	9,61,02,112	7,58,30,506	15,72,030	2,20,21,066	3,77,38,096	1,29,63,589	1,09,85,217	72,41,421	1,48,53,927	1,01,51,909	69,400	6,94,686	-	35,15,77,742
Depreciated cost as at 01-04-2019	-	12,05,599	7,17,865	-	-	-	5,99,260	44,00,836	-	4,28,253	-	24,40,180	5,25,897	5,16,527	2,93,000	1,13,801	-	-	-	1,12,80,070
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	4,90,512	-	-	-	-	-	1,97,51,155	-	6,85,808	-	18,19,232	13,10,059	2,64,209	32,550	46,27,471	-	-	1,53,67,825	47,57,149
Transfer from Provision Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount as at 31-3-2020	67,35,597	1,79,49,480	2,61,54,737	99,05,175	17,93,991	7,77,777	9,67,00,372	8,02,71,342	15,72,030	2,24,49,861	3,77,38,096	1,33,83,769	1,15,11,114	77,57,748	1,51,46,927	1,02,65,710	69,400	6,94,686	-	36,26,57,812
Additions	-	4,90,512	-	-	-	-	29,99,297	1,97,51,155	-	6,85,808	-	18,19,232	13,10,059	2,64,209	32,550	46,27,471	-	-	1,53,67,825	47,57,149
Disposals	-	-	-	-	-	-	-	21,90,290	-	-	-	-	-	-	-	-	-	-	-	21,90,290
Transfer from Provision Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount as at 31-3-2021	67,35,597	1,84,39,992	2,61,54,737	99,05,175	17,93,991	7,77,777	9,96,99,669	9,78,32,207	15,72,030	2,31,34,449	3,77,38,096	1,72,02,992	1,28,21,173	80,22,037	1,51,79,477	1,48,73,181	69,400	6,94,686	1,53,67,825	40,73,24,991
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at 01-04-2019	-	38,29,864	6,47,919	49,06,587	7,18,747	3,10,874	1,84,14,599	2,73,89,333	4,87,758	75,80,254	1,48,74,388	77,19,139	63,21,061	66,02,769	72,69,994	39,80,152	65,947	3,20,557	-	10,84,39,652
Change for the period	-	4,54,605	8,22,299	3,49,623	57,155	33,844	31,35,988	46,18,459	1,01,507	15,09,247	26,56,888	9,64,540	6,03,313	4,06,587	15,07,994	9,31,750	-	1,11,570	-	1,82,66,968
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at 31-3-2020	-	42,84,469	14,70,218	52,55,990	7,75,902	3,44,718	2,15,50,587	3,20,07,792	5,89,265	90,89,501	1,45,33,076	86,83,719	69,24,374	70,89,356	87,77,898	49,11,902	65,947	4,32,127	-	12,67,06,600
Change for the period	-	4,69,155	8,21,576	3,49,707	57,154	33,852	31,45,719	51,54,803	35,481	13,16,105	26,59,598	9,83,834	6,70,876	3,59,226	15,08,899	11,00,885	-	1,40,887	2,21,736	1,90,39,093
Other Adjustments	-	-	-	-	-	-	-	5,55,992	-	-	-	-	-	-	-	-	-	-	-	5,55,992
Closing accumulated depreciation as at 31-3-2021	-	47,53,624	22,91,794	56,05,697	8,33,056	3,78,570	2,46,96,306	3,66,66,693	6,24,746	1,04,05,606	1,71,92,674	96,67,113	75,95,250	73,48,582	1,02,86,787	60,12,687	65,947	5,73,014	2,31,736	14,57,89,791
Net carrying amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31-03-2021	67,35,597	1,36,86,368	2,38,62,943	42,99,478	9,60,925	3,92,207	7,49,13,863	6,12,25,514	9,47,284	1,27,29,343	2,05,86,822	75,58,979	52,25,923	6,53,155	48,92,690	88,60,594	3,453	1,21,672	1,51,36,089	26,27,35,200
As at 31-03-2020	67,35,597	1,36,65,011	2,46,64,519	46,49,185	10,18,089	4,33,059	7,51,49,785	4,82,63,550	9,82,765	1,33,64,560	2,32,05,020	67,00,290	45,96,740	7,48,392	63,69,029	53,33,808	3,453	2,62,559	-	25,61,51,212

3.2 CAPITAL WORK-IN-PROGRESS

Particulars	As at 31/03/2021	As at 31/03/2020
Capital Work in Progress-Gorwa	-	-
Total		-

3.3 (C) INTANGIBLE ASSETS

Particulars	Computer Software
Gross carrying amount	
Deemed cost As at 01-04-2019	28,38,328.00
Additions	1,27,600.00
Disposals	
Transfer from Revaluation Reserve	
Gross carrying amount As at 31-03-2020	29,65,928.00
Additions	5,70,000.00
Disposals	
Transfer from Revaluation Reserve	
Gross carrying amount As at 31-03-2021	35,35,928.00
Accumulated Depreciation:	
Accumulated Depreciation As at 01-04-19	21,10,558
Charge for the period	4,21,613.00
Other Adjustments	
Closing accumulated depreciation As at 31-3-2020	25,32,171.00
Charge for the period	1,66,076
Other Adjustments	
Closing accumulated depreciation As at 31-03-2021	26,98,247.00
Net carrying amount:	
As at 31-03-2021	8,37,681.00
As at 31-03-2020	4,33,757.00

- Note-4 to Schedule II specifies that the useful life specified in Part C of the Schedule is for whole of the asset. Where Cost of a Part of the Asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part should be determined separately. As per the Management of the Company and considering the nature of Fixed Assets lying in the Block of Assets of the Company, particularly the Plant and Machineries lying in the Block, there are no such major parts whose useful life is different from the useful life of the remaining asset and hence the Company has considered the useful life of the said parts equivalent to the useful life of the Asset only. However as informed to us, the Company has undertaken the specific exercise of identifying the parts where the Cost is significant to the total cost and whose useful life might be different from the useful life of the remaining assets. If such parts are identified, the same shall be given effect to prospectively.

4. Financial Asset**Note 4.1 Investments Non Current**

Particulars	As at 31 March, 2021	As at 31 March, 2020
Investments at fair value through other comprehensive income		
Investment in Equity Shares (Non trade investment-Unquoted) (Fully Paid- up)		
BIDC Shares (63 Shares OF Rs.1000 each)	63,000	63,000
Total	63,000	63,000

Aggregate Value of unquoted investment	63,000	63,000
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Note-4.2 Loans

Particulars	As at 31 March, 2021	As at 31 March, 2020
Deposits		
(a) Unsecured, considered good	-	-
Total	-	-

4.3 Other Non - Current Assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
Unsecured, considered good		
Employee Gratuity Scheme	1,21,06,468	1,12,31,025
Total	1,21,06,468	1,12,31,025

5. Inventories

Particulars	As at 31 March, 2021	As at 31 March, 2020
Inventories (lower of cost or net realisable value)		
Raw Materials	1,85,48,989	2,15,75,859
Packing Material	1,17,69,673	1,06,48,058
Work-in-Progress	30,72,388	25,32,716
Finished goods	1,81,93,373	2,03,21,030
Total	5,15,84,423	5,50,77,663

6. Financial Assets**Note - 6.1 Investments**

Particulars	As at 31 March, 2021	As at 31 March, 2020
Investments at fair value through profit or loss		
Other Investment	-	-
	-	-
Total	-	-

Note - 6.2 Trade Receivables

Particulars	As at 31 March, 2021	As at 31 March, 2020
Unsecured, considered good	21,74,59,257	17,11,60,316
Unsecured, considered Doubtful	79,14,460	1,02,36,250
Doubtful debts		
Allowance for doubtful debts (Expected Credit Loss allowance)		
Total	22,53,73,717	18,13,96,566

Outstanding for a period exceeding Six Months	4,22,25,451	4,66,96,244
Others	17,52,33,806	12,64,16,842

Amount Outstanding in USD	1453847.00	983917.00
Amount Outstanding in EURO	0.00	20750.00

The Management is in the opinion that the trade receivables outstanding for the period above six months are considered good except Rs. 79,14,460 has been provided for Bad & Doubtful Debts during the year.

Of the above, Trade receivables from related parties are as below:

Particulars	As at 31 March, 2021	As at 31 March, 2020
Total trade receivables from related parties JAS HEALTH CARE	-	54,049
Loss allowances	-	
Net trade receivables		54,049

Note-6.3 Cash and cash equivalents

Particulars	As at 31 March, 2021	As at 31 March, 2020
Balances with banks (a) In current accounts	3,03,00,333	1,29,38,474
Cash on Hand	7,705	18,971
Total	3,03,08,038	1,29,57,445

Note-6.4 Bank Balances other than (iii) above

Particulars	As at 31 March, 2021	As at 31 March, 2020
Other Bank Balances		
(a) Balances held as Margin Money	59,73,260	18,97,278
(b) Balances held in unpaid dividend accounts	8,77,973	9,20,538
(c) Other Fixed Deposits with Bank (Less than 12 Months)	1,15,02,274	92,93,110
Total	1,83,53,507	1,21,10,926

Note-6.5 Loans

Particulars	As at 31 March, 2021	As at 31 March, 2020
Unsecured, considered good		
(a) Earnest Money Deposit & others	46,64,253	49,64,253
(b) Advances to Staff	68,297	20,000
Total	49,84,253	49,84,253

Note-6.6 Other Financial Assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Accrued Interest Income	1,41,698	5,84,195
Total	1,41,698	5,84,195

7 Other Current Assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
Unsecured, considered good		
(a) Advances other than Capital Advances	64,86,435	1,69,54,708
(b) Prepaid expenses	4,52,629	4,65,171
(c) Balances with government authorities	1,59,08,192	1,00,86,778
(d) Other Advances	79,96,677	65,33,160
(e) Advance Income taxes and refunds receivable	1,66,27,936	1,39,53,952
Total	4,74,71,869	4,79,93,768

8. Share Capital**Authorised Equity Share Capital**

Particulars	No. of Shares	Amount
As At 31 March, 2020	25,00,000	2,50,00,000
Increase /(decreased) during the year	-	-
As At 31 March, 2021	25,00,000	2,50,00,000
Increase /(decreased) during the year	-	-
12,00,000 (P.Y. 12,00,000) Shares of Rs.10/- each	1,20,00,000	1,20,00,000
(cumulative redeemable convertible preference shares of Rs.10/- each)	1,30,00,000	1,30,00,000

Issued Equity Share Capital

Particulars	No. of Shares	Amount
As At 31 March, 2020	12,00,000	1,20,00,000
Increase / (decreased) during the year	-	-
As At 31 March, 2021	12,00,000	1,20,00,000
Increase / (decreased) during the year	-	-

b) Terms & Rights attached to each class of shares;

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of the liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by Promoter Group

Shareholders	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	Percentage	No. of shares	Percentage
Equity shares with voting rights				
Dilipbhai Ramanlal Shah (HUF)	3,10,600	25.88	3,10,600	25.88
Shah Rajendra Ramanlal (HUF)	2,09,050	17.42	2,09,050	17.42
Janki Rajendra Shah	1,04,000	8.67	1,04,000	8.67
Rajendra Ramanlal Shah	85,650	7.14	85,650	7.14
Dilipbhai Ramanlal Shah	84,850	7.07	59,850	7.07
Paresh Ramanlal Shah	23,650	1.97	23,650	1.97
Kaumudini Rajendra Shah	21,150	1.76	21,150	1.76
Adit Dilipbhai Shah	15,450	1.29	15,450	1.29
Bimal Ramanlal Shah	14,000	1.17	14,000	1.17
Parulben Kiranbhai Laliwala	12,200	1.01	11,700	0.98
Kishoriben Dilip Shah	3,300	0.28	3,300	0.28

a) Reconciliation of Shares outstanding at the beginning and at the end of the reporting period;

Particulars	Equity Shares	
	Number	In Rs.
Shares at the beginning of the year	12,00,000	12,00,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	12,00,000	12,00,000

9. Other Equity

Particulars	As at 31st March, 2021	As at 31st March, 2020
General Reserve	32,41,27,913	28,91,27,913
Securities Premium	36,00,000	36,00,000
Retained Earnings	2,92,17,589	1,50,42,614
Total	35,69,45,502	30,77,70,527

Particulars	As at 31st March, 2021	As at 31st March, 2020
General Reserve As per last Balance Sheet	32,41,27,913	28,91,27,913
Securities Premium Reserve As per last Balance Sheet	36,00,000	36,00,000
Retained Earnings Add: Profit/(Loss) for the year as per Statement of Profit and Loss Add: Depreciation consequent to revaluation adjusted Add/(Less): Adjustment related to Expected Loss on Trade Receivables, Add/(Less): Adjustment related to Deferred Tax for Expected Loss on Trade Receivables. Transferred to General Reserve Dividends paid including dividend tax thereon	1,50,42,614 5,33,74,975 (3,50,00,000) (42,00,000)	99,31,049 3,22,81,562 (2,50,00,000) (21,69,996)
Total	2,92,17,589	1,50,42,614

10. Provisions

Particulars	As at 31st March, 2021	As at 31st March, 20
a) Provision for employee benefits		
Provision for Gratuity Provision for Leave Encashment	1,06,08,078 21,39,920	97,32,176 21,66,671
Total	1,27,47,998	1,18,98,847

11. Deferred Tax Liabilities (Net)

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax Asset Deferred Tax Liabilities	2,12,78,846	1,73,99,923	1,82,20,478
Total	2,12,78,846	1,73,99,923	1,82,20,478

Deferred Tax (Asset) / Liabilities in relation to :

Particulars	As at 31 March, 2021	As at 31st March, 2020	As at 31st March, 2019
Opening balance Loss allowances on trade receivable (Expected Credit Loss) Non deductible expenses for tax purpose Property, plant and equipment Investments carried at FVTPL	2,12,78,846	1,73,99,923	1,82,20,478
Total	2,12,78,846	1,73,99,923	1,82,20,478
Recognised in Profit or loss Loss allowances on trade receivables (Expected Credit Loss) Non deductible expenses for tax purpose Property, plant and equipment Investments carried at FVTPL			
Total		-	-

Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Recognised in Other comprehensive income Investments carried at FVTOCI Remeasurement of Defined benefit plans (OCI)			
Total	-		
Closing balance Loss allowances on trade receivables (Expected Credit Loss) Non deductible expenses for tax purpose Property, plant and equipment Investments carried at FVTOCI Remeasurement of Defined benefit plans (OCI)	2,12,78,846	1,73,99,923	1,82,20,478
Total	2,12,78,846	1,73,99,923	1,82,20,478

11.1 Borrowings

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured - at amortized cost		
a) Loans repayable on demand		
HDFC		
- From banks (Cash Credit - against Hypothecation of Stocks and Book Debts)	2,69,13,182	
- From bank EPC A/c	-	
- From banks Term loan	87,66,277	
SBI		
- From banks (Cash Credit - against Hypothecation of Stocks and Book Debts)	-	68,22,045
- From banks (SLC A/c)	-	
- From banks (EPC A/c)	-	1,97,10,563
- From banks Term loan	-	
Vehicle Loan A/c	15,51,525	5,36,700
Unsecured		
Fixed Deposits From Directors	-	
Fixed Deposits From Members	2,51,68,131	2,89,68,332
Total	6,23,99,115	6,32,61,048

HDFC Bank has sanctioned various credit facilities as working capital finance & Export Credit facility which is secured by way of Hypothecation charged over Plant & Machinery at Gorwa, Vadodara. Further, charge is also created on stock of inventories & book-debts of the company. The execution of equitable mortgage is in process and shall be completed after fulfilling necessary formalities. The Directors Rajendra Shah have given Personal Guarantee to the Bank. The rate of Interest for Working Capital finance is 7.80 % p.a.

The amount taken as deposits from directors and members are unsecured and are for the period of 36 months. Interest on unsecured deposits has been paid at the rate of 8%

12. Trade Payables

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total outstanding dues to Micro and Small enterprise	1,42,62,596	62,28,928
Trade Payables	10,35,45,146	7,80,48,628
Total	11,78,07,742	8,42,77,556

NOTE : Refer Note No.40
Dues to Micro and Small Enterprises :

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

13. Other Financial Liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Current Maturities On Long Term Debt	85,77,588	86,46,882
(b) Unpaid Dividends	8,77,973	9,20,538
(c) Security Deposits	93,47,535	95,01,996
(d) Other Expenses Payable	78,75,800	75,33,688
Total	2,66,78,896	26,603,104

14. Other Current Liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Advance's from Customers	4825559	83,06,371
(b) Statutory Liabilities	367504	3,36,873
(C) Others Current Liability	1,82,24,144	1,88,54,105
Total	23,417,207	27,497,349

14.1 Provisions

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Provision - Others		
(i) Provision for Proposed Dividend	-	-
(ii) Provision for Corporate Dividend Tax	-	-
Total	-	-

15 Current Tax Liabilities (Net)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Current Taxation	20,432,845	12,275,456
Total	20,432,845	12,275,456

16 Revenue from Operations

Particulars	As at 31st March, 2021	As at 31st March, 2020
Sale of Products		
- Domestic Sales	504,806,866	479,266,359
- Export Sales	181,207,716	93,425,149
Total	686,014,582	572,691,508

17. Other Income

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Interest Income Interest income earned on financial asset that are not designated as fair value through profit and loss:		
i) Interest Income	574,660	688,176
b) Other Non operating income (net of expenses directly attributable to such income)		7,806,914
i) Non operating income	8,228,122	-
ii) Discount Income	-	-
iii) Other gains and losses		
- Net Gain/(loss) arising on financial asset designated as at FVTPL	-	-
- Net gain/loss on sale of investments	-	-
Total	8,802,782	8,495,090

Details of Interest Income	As at 31st March, 2021	As at 31st March, 2020
Interest income comprises: Interest from Banks on deposits	574,660	688,176
Total - Interest Income	574,660	688,176

Other non-operating income	As at 31st March, 2021	As at 31st March, 2020
Other non-operating income comprises: Duty Drawback / Advance License / MEIS License	4,654,804	5,927,757
Profit On Sales Of Asset	-	-
Insurance Claim Received	73,733	19,675
Miscellaneous Income	774,783	651,640
Exchange rate difference	2,724,802	1,207,057
Total - Other non-operating income	8,228,122	7,806,129

18. Cost of Material Consumed

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Stock	21,575,859	28,805,643
Add: Purchases	187,126,101	141,047,921
	208,701,960	169,853,564
Less: Sale of Raw Material		
Less: Closing Stock	18,548,989	21,575,859
Raw Material Consumed	190,152,971	148,277,705
Packing Material Consumed	98,943,588	78,403,978
Consumable Store and Spares	5,743,980	4,067,571
Total	294,840,539	230,749,255

19. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	As at 31st March, 2021	As at 31st March, 2020
Inventories at the end of the year: (At Cost or Net Realisable Value which ever is lower)		
Finished Goods	18,193,373	20,321,030
Traded Goods		
Work In Progress	3,072,388	2,532,716
	21,265,761	22,853,746
Inventories at the beginning of the year: (At Cost or Net Realisable Value which ever is lower)		
Finished Goods	20,321,030	27,417,182
Traded Goods		
Work In Progress	2,532,716	3,858,157
	22,853,746	31,275,339
Net (increase) / decrease	1,587,985	8,421,593
Differential Excise Duty on Opening & Closing Stock of Finished Goods	-	-
Net Changes in Inventories of Finished Goods	1,587,985	8,421,593

20. Employee benefits expense

Particulars	As at 31st March, 2021	As at 31st March, 2020
Salaries, Wages and Bonus & other allowances	90,843,172	86,046,073
Contributions to Provident Fund and Other Funds	5,014,349	4,904,944
Gratuity Expenses	593,222	606,163
Staff Welfare Expenses	1,545,011	1,454,896
Total	97,995,754	93,012,077

21. Finance costs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest expense on:		
(i) Borrowings	2,539,903	3,845,900
(ii) Bank charges & Others	3,874,926	4,328,982
Total	6,414,829	8,174,882

22. Other Expenses

Particulars	For the period ended 31March, 2021		For the period ended 31March, 2020	
Power and Fuel		15,821,899		16,126,365
Analytical & Testing Expense		1,307,722		2,089,073
Laboratory Expenses		1,820,063		1,553,532
Calibration Charges		344,346		213,899
Manufacturing Processing cost		2,060,410		1,748,272
Product Development Expense		0		141,607
Repairs & Maintenance:		9,740,415		9,354,673
Building	4,052,595		5,556,353	
Plant & Machinery	3,197,243		1,895,403	
Others	2,490,577		1902917.42	
Research & Development Expense		25,823		274,129
Electrical Expense		67,829		30,325
Directors sitting fees		188,000		137,000
Printing & Stationary Expense		1,202,982		1,201,401
Rent, Rates and Taxes		5,523,639		6,075,433
Inspection Fees		2,081,902		363,355
Insurance		914,054		595,386
Legal and Professional Fees		9,312,628		8,211,113
Security charges		1,198,389		1,344,129
Prior Period Expense		5,060,604		229,005
Bad & Doubtful debt		7,921,113		7,173,187
Payments to Auditors		200,000		200,000
Travelling Expense		35,441,624		40,113,395
Commission & Brokerage		11,315,856		12,187,877
Computer Main.Exp.		994,732		899,911
Donation		1,250,000		1,264,310
Motor Car & Scooter Exp		1,156,506		875,202
Postage & Courier		400,654		564,692
Telephone Exp		376,730		582,744
Fumication Charges		179,292		71,012
Duties & Taxes		3,209,649		944,502
Bad Debts Written Off		10,460,774		1,424,981
Other Expense		997,610		349,210
Selling Exp		16,460,329		24,285,691
Packing & Forwarding Exp		21,163,336		12,925,503
Loss On Expiry, Spoilage & Breakage		12,222,151		8,046,328
Total		180,421,061		161,597,245

23. C.I.F. Value of Imports :

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw Materials	2,993,320	312,750
TOTAL Rs.	2,993,320	312,750

24. Expenditure in Foreign Currency :-

Particulars	As at 31st March, 2021	As at 31st March, 2020
Foreign Travel	25,322	331,330
TOTAL Rs.	25,322	331,330

25. Sundry Creditors and Sundry Debtors are as per books and have not been corroborated by circulation / confirmation of balances / reconciliation of accounts. Confirmations of parties concerned, for the amount receivable / due to them as per accounts of the company, are under process of reconciliation and adjustments required, if any, will be made as and when the accounts are settled.
26. In the opinion of the Board, the Current Assets, Loans and Advances which are considered good are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business. Further, in the opinion of the Board, provision of all known liabilities has been adequately made in the accounts and as per management experience and estimates no additional provision is required for guarantees and warranties, liquidated damages etc.

27. Contingent Liabilities And Commitments :

Particulars	As at 31st March, 2021	As at 31st March, 2020
Contingent Liabilities		
Claims against the Company not acknowledged as debt	-	
Guarantees (Bank Gurantee)**	65,86,053	1,14,59,826
LC on Import Purchase	15,76,260	-
The Honourable Supreme Court, has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present, Amount not determinable. Moreover a review petition is also filed before the Hon'ble Supreme Court; the outcome is yet to be received.		
TOTAL RS.	6,881,735	8,162,313
Commitments		
Estimated amounts of contracts remaining to be executed on capital account and not provided for	-	-
Uncalled liability on shares or investments partly paid	-	-
Other Commitments		
TOTAL RS.	-	-

Legal Case filed against company by its creditors - Rs. Nil

Bank Guarantees outstanding as on 31st March, 2021, amounted to Rs.68,81,735/- (P.Y. Rs. 65,86,053/-) against which the company has kept the Margin Money Deposits worth Rs 59,73,260./- (P.Y. Rs.8,16,231/-).

** An amount of Rs.35,70,811.46 is debited by State bank of India on 18th May,2019. The amount is debited in pursuant to an order of Debt Recovery Tribunal –II, Ahmedabad dated 06.05.2019. The order was to restrict any withdrawals from our account on basis of a Bank Guarantee given by the company, but since the day to day operations would have been hampered due to non withdrawal from the accounts, the amount was paid from the bank account of the company. The company has now filed a stay application in the Honourable Gujarat High court against the order, and the amount is treated as a contingent liability.

28. Earnings in Foreign Currency :

Particulars	As at 31st March, 2021	As at 31st March, 2020
Country wise Breakup of Export Goods (in Rs.)	181,207,716	93,425,148
Country	2020-21	2019-20
Africa	83,777,558	39,593,941
Asia	50,707,415	46,960,837
America	32,189,538	3,136,745
United Kingdom	181207716	3,733,625

29. Segment Reporting

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

30. Lease Commitments

Particulars	As at 31st March, 2021	As at 31st March, 2020
Lease Payments recognized in the Statement of Profit and Loss	6,042,000	6,372,000

31. Financial Instrument

- All foreign currency denominated assets and liabilities are translated using exchange rate at the reporting date.
- The fair value of the investment in Unquoted Equity Shares of BIDC are measured at cost.

Credit Risk

Trade receivables Customer Credit Risk is managed by business unit subject to Company's established policy and procedures. Trade receivables are non-interest bearing and generally have a credit period not exceeding 90 days. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The company has no concentration of credit risk as the customer base is widely distributed both economically and geographically. An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purpose of this analysis, the receivables are categorized into group based on types of receivables. Each group is then assessed for impairment using the Expect Credit Loss (ECL) model as per the provisions of Ind AS 109 - Financial instruments. The calculation is based provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Receivables from group companies and secured receivable are excluded for the purposes of this analysis since no credit risk is perceived on them. The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the company's view of economic conditions over the expected lives of the receivables.

Foreign Currency Risk

Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchanges rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (When revenue or expenses denominated in a foreign currency).

32. Particulars of Unhedged Foreign Currency Exposure :

Particulars	As at 31st March, 2021	As at 31st March, 2020
Sundry Debtors	102,247,490	94,403,342
TOTAL Rs.	102,247,490	94,403,342

Liquidity Risk :

Liquidity Risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly close to its fair value. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing at an optimised cost.

33. Directors' Remuneration

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Remuneration	1,150,000	1,280,000
Perquisites	605,099	560,793

34. Auditors' Remuneration

Particulars	As at 31st March, 2021	As at 31st March, 2020
As Auditors	2,00,000	200,000
	2,00,000	200,000

35. Post Employment Benefits :-

Provident Fund dues amounting to 70,08,690/- and ESI dues amounting to 14,34,883/- paid during the year being defined contributions have been charged to the Profit and Loss Account.

No Provision for Short Term Compensated absences is required as at the year end as per the policy of the Management.

"The Company has a defined benefit gratuity plan. Every employee who has completed five or more years of service is eligible for gratuity @ 15 days salary (last drawn) for every completed year of service with a overall ceiling of 10 lakhs. The Company has taken a Group Gratuity cum Life Insurance Policy from Life Insurance Corporation of India (a qualifying policy) and makes annual contributions to the same to create a fund to meet this defined benefit gratuity obligation."

Method Used**Projected Unit Credit Method****Actuarial Assumptions Used**

Mortality Rate	LIC (1994-96)
Discount Rate	7.50%
Expected Return on Plan Assets	8.00%
Salary Escalation Rate	7.00%

Major Categories of Plan Assets

Insurer Managed Funds – 100%

Change in Present Value of Defined Benefit Obligation	31st, March 2021	31st, March 2020
Present Value of Obligations as at the beginning of the Year	9,732,176	8,897,115
Interest Cost	705,583	667,284
Current Service Cost	1,252,635	958,137
Benefits Paid	(307,725)	(435,884)
Actuarial (gains) / losses on obligation	(774,591)	(354,476)
Present Value of Obligations as at the end of the Year	10,608,078	9,732,176
Change in Fair Value of Plan Assets		
Fair Value of Plan Assets as at the beginning of the Year	11,231,025	10,056,999
Expected Return on Plan Assets	828,539	782,957
Contributions	354,628	826,953
Benefits Paid	(307,725)	(435,884)
Actuarial (gains) / losses on Plan Assets	Nil	Nil
Fair Value of Plan Assets as at the end of the Year	12,106,467	11,231,025
Defined Benefit Obligation as recognized in Balance Sheet		
Present Value of Obligations as at the Year end	10,608,078	9,732,176
Unrecognised Past Service Cost	NIL	NIL
Fair Value of Plan Assets as at the Year end	12,106,467	11,231,025
Net (Asset) / Liability recognized in Balance Sheet	(1,498,389)	(1,498,849)
Net Gratuity Benefit Expenditure Recognised in P&L Account		
Current Service Cost	1,252,635	958,137
Interest Cost	705,583	667,284
Expected Return on Plan Assets	(828,539)	(782,957)
Net Actuarial (Gain) / Loss Recognised in	(774,591)	(354,476)
Net Expense Recognised in Statement of Profit & loss	355,088	487,988

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

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2019-20

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

Interest Rate Risk:

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

Liquidity Risk:

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

Salary Escalation Risk:

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

Regulatory Risk:

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

36. COVID-19 Impact

- Due to lockdown in India, our number of associates who were supplying raw materials, packing materials, printing materials were closed and we were unable to procure it. Additionally transportation was not available to bring from one destination to another destination.
- social distancing our man power and supervisors was reduced to about 50% - 60%. Some of them were not coming due to red zone, lockdown and non-availability of transportation. In view of above and shortages of all inputs and workers production activity came down to 40% to 50% of the normal productivity.
- our domestic marketing activity came to almost fullstop as most of the cities did not allowed medical representative to make personal calls and also intrastate and interstate travelling were not permitted. Most of medicals professionals closed down their clinic due to Covid 19 that has affected our business.
- Due to lack of transportation and logistics, Company is experiencing difficulties in supply chain. We have noticed the delivery period of our goods has increased 2 to 3 fold in most of the locations.
- Due to the low volume of business from March end it has affected our collection and liquidity, revenue and profitability substantially, and company had financial hit.

37. RELATED PARTY TRANSACTIONS :-

The Company has identified all the related parties having transactions during the year in line with Accounting Standard 18. Details of the same are as under

List of Related Parties

(a)	Name of Related Parties	Nature of Relationship
	R .R. Shah	Managing Director
	D.R. Shah	Director
	Paresh Mistry	Director
	Mercury Antibiotics Pvt. Ltd.	An enterprise Managed by the Relatives of Directors
	JAS Healthcare Inc.	An enterprise in which director & his relative is director
	Bio- Med India	A Concern in which Directors are Partner
	Mercury Marketing & Consulting Services	A Concern in which Directors are Partner
	Mercury Pharma Distributors	A Concern in which Directors are Partner
	Rukshmaniben Charitable Trust	A Concern in which Directors are Trustee
	"Shri Ramanbhai Bapulal Shah Education and Charitable Trust "	A Concern in which Director is Trustee
	Dr. Shrutiben Dillipbhai Shah Education and Charitable Trust "	A Concern in which Directors are Trustee
	Divyakant Zaveri	Independent Director
	Poomima D Karvat	Independent Director
	Bharat Mehta	Independent Director
	Dilip R. Shah (H.U.F.)	Relatives of Director
	Kaumudiniben R. Shah	Relatives of Director
	Kishoriben D. Shah	Relatives of Director
	R.R. Shah(H.U.F)	Relatives of Director
	Adit D. Shah	Relatives of Director
	Paresh R Shah	Relatives of Director
	Bimal R Shah	Relatives of Director
	Parulben Kiranbhai Laliwala	Relatives of Director
	Saurabh Mittal	Relatives of Director
	Enu Khandelwal	Chief Financial Officer
	Kinjal Khandelwal	Company Secretary

(b) Transactions with Related Parties

Name of Related Party	Nature of Transaction	31/03/2021 (Rs.)	31/03/2020 (Rs.)
R .R. Shah	Remuneration	1,150,000	1,280,000
	Perquisites	605,099	560,793
	Deposit Received	-	-
	Deposit Paid	-	-
	Interest on Deposit	-	-
	Dividend Paid	299,775	171,300
D.R. Shah	Director Fees	22,500	10,000
	Deposit Received	-	-
	Deposit Paid	-	-
	Interest on Deposit	-	-
	Dividend Paid	296,975	169,700
Paresh Mistry	Salary	995,774	938,496
	Director Fees	36,500	22,500
Janki R shah	Director Fees	29,000	-
	Deposit received	3,000,000	-
	Deposit Paid	3,000,000	-
	Interest on Deposit	337,849	351,962
	Dividend Paid	364,000	208,000
Divyakant Zaveri	Director Fees	44,000	42,000
	Professional Fees	250,000	45,000
Poornima D Karvat	Director Fees	12,000	42,000
Bharat Mehta	Director Fees	44,000	20,500
Mercury Antibiotics Pvt. Ltd.	Lease Rent	5,100,000	5,400,000
Mercury Pharma Distributors	Lease Rent	24,000	20,000
JAS Healthcare Inc.	Sales	30,308,602	3,198,586
JAS Healthcare Inc.	Advance Recd.Agst Sales	984,867	6,759,437
Mercury Marketing & Consulting Services	Consultancy Services	3,000,000	3,000,000
Bio- Med India	Sales Advance received	-	85,000
Rukshmaniben Charitable Trust	Donation Paid	-	-
Shri Ramanbhai Bapulal Shah Education and Charitable Trust	Donation Paid	500,000	500,000
Dr. Shrutiben Dilipbhai Shah Education and Charitable Trust	Donation Paid	750,000	750,000
Kaumudiniben R. Shah	Interest on Deposit	398,904	401,096
	Deposit received	-	-
	Deposit Paid	-	-
	Dividend Paid	74,025	42,300
R.R. Shah(H.U.F)	Interest on Deposit	336,150	401,096
	Deposit received	-	-
	Deposit Paid	750,000	-
	Dividend Paid	731,675	418,100
D.R. Shah(H.U.F)	Interest on Deposit	800,000	802,192
	Deposit received	-	-
	Deposit Paid	-	-
	Dividend Paid	1,087,100	621,200
Adit D. Shah	Interest on Deposit	152,011	326,492
	Deposit received	-	-
	Deposit Paid	3,000,000	-
	Dividend Paid	54,075	30,900
Paresh R Shah	Dividend Paid	82,775	47,300
Bimal R shah	Dividend Paid	49,000	28,000
Parulben Kiranbhai Laliwala	Dividend Paid	40,950	23,400
Kishoriben D Shah	Dividend Paid	11,550	6,600
Enu Khandelwal	Salary	446,094	193,047
Kinjal Khandelwal	Salary	214,165	173,529
Saurabh Mittal	Salary	1,464,132	1,464,132

(c) Balance with related parties

Name of Related Party	Nature of Transaction	As at 31st March, 2021	As at 31st March, 2020
Mr. R.R. Shah	Fixed Deposit	-	-
Mr. D.R. Shah	Fixed Deposit	-	-
Mercury Antibiotics Pvt. Ltd.	Lease Rent	6,310,186	18,184,264
JAS Healthcare Inc.	Advance Recd.Agst Sales	984,867	6,738,628
Bio- Med India	Sales		(31,924)
Mercury Pharma Distributors	Lease Rent	(50,324)	(22,125)
Mercury Marketing & Consulting Services	Consultancy Services	3,015,490	3,206,740
Kaumudiniben R. Shah	Fixed Deposit	5,091,232	5,089,753
R.R. Shah(H.U.F)	Fixed Deposit	4,337,542	5,089,754
D.R. Shah(H.U.F)	Fixed Deposit	10,182,466	10,179,507
Adit D. Shah	Fixed Deposit	1,089,524	4,143,059
Janki R shah	Fixed Deposit	4,467,557	4,466,259

38. Earnings Per Share in line with accounting standard 20 the earnings per share details are given below:-

Particulars		As at 31st March, 2021	As at 31st March, 2020
Profit After Taxation	Rs.	53,374,975	32,281,562
Weighted Average Number of Equity Shares	Nos.	1,200,000	1,200,000
Nominal Value of Shares	Rs.	12,000,000	12,000,000
Earnings Per Share	Rs.	44.48	26.90

39. Impairment of Assets :-

As a tool to measure to the value of fixed assets, the Company has considered the technical Valuation carried out by expert. In terms of the same and further in absence of any indications, external or internal, as to any probable impairment of assets, no provision has been made for same during year under report.

40. Dues to Micro & Small Enterprises

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) The principal amount remaining unpaid to any supplier at the end of the year	14,262,596	6,228,929
b) Interest due remainig unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of MSMED Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006		
e) The amount of interest accrued and remining unpaid at the end of each accounting year	74,474	74,474
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of the deductible expenditure under section 23 of the MSMED Act,2006	-	-

41. There are no amounts pending to be transferred to the Investors Education and Protection Fund as at the end of the year.
42. The figures in respect of previous year have been re-grouped / recast wherever necessary to confirm to the current year's classification.

For R. J. Shah & Associates
Chartered Accountants
F.R.N.109752W

Nayan R. Dholakia
Partner
M.No.037350
Place : Vadodara
Date: 27-05-2021
UDIN: 21037350AAAAAX5965

For and behalf of the Board
Mercury Laboratories Ltd .

Rajendra R. Shah
Managing Director
DIN: 00257253

Enu Khandelwal
Chief Financial Officer
Place : Vadodara
Date: 27-05-2021

Dilip R Shah
Director
DIN: 00257242
Place: USA

Kinjal Khandelwal
Company Secretary

Dear Members,

Subject: Dematerialization of Shares & Unpaid Dividend

We have pleasure to inform you that National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have allotted ISIN No INE947G01011 to the Equity Shares of the Company.

As you are aware that shares held in demat would not only be convenient in holding but also facilitate you in dealing with the shares of the Company. We therefore recommend and request you to take the advantage of Demat of Shares.

BSE has issued a Circular to Listed Companies on July 05, 2018 informing about amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only. As per circular, physical transfer of securities will not be permitted after December 05, 2018 which was further extended upto March 31, 2019.

Accordingly If you are still holding your shares of the Company in physical form, we request you to get the physical shares dematerializes through your Depository Participant. In case of any assistance you may contact to Company's Registrar and Share Transfer Agent M/s. Link Intime India Private Limited them at any of the following address:

<p>Link Intime India Private Limited B-102 & 103, Shangrila Complex, 1st Floor, Opp HDFC Bank, Nr. Radha Krishna Char Rasta, Akota, Vadodara - 390 020 Phone: + 91 265 2356579 - 2356794 E-mail: alpesh.gandhi@linkintime.co.in</p>	<p>Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Phone : +91 22 49186270, Fax : +91 22 49186060.</p>
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If there is a change of your address, please write us to register the same to help us to serve you better.

Further in case you have not received any dividend declared by the Company for any of past financial years, from 2013 – 2014, till the last year, you may write to the secretarial department of the company at Baroda for the same for the payment.

You may also write about any of queries to our secretarial department of the Company at Baroda.

Thanking you and assuring our best services at all times.

For Mercury Laboratories Limited

Rajendra R. Shah
Managing Director

To,
 Link Intime India Pvt. Ltd.
Unit: Mercury Laboratories Limited
 102 & 103, Shangrila Complex
 1st Floor, Opp. HDFC Bank,
 Near Radhakrishna Char Rasta,
 Akota, Vadodara - 390 020.

Dear Sir / Madam

Subject : Updation of Shareholder Information

I / We request you to record the following information against my / our Folio No.:

General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN:	
*CIN / Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

Self attested copy of the document(s) enclosed

Bank Details:

IFSC (11 Digit) :	
MICR (9 Digit) :	
Bank A/c Type :	
*Bank A/c No. :	
Name of the Bank :	
Bank Branch Address :	

* A blank cancelled cheque is enclosed to enable verification of bank details

I / We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I / we would not hold the Company / RTA responsible. I / We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I / We understand that the above details shall be maintained till I / we hold the securities under the above mentioned Folio No. / beneficiary account.

Place :

Date :

 Signature of Sole / First Holder

MERCURY LABORATORIES LIMITED

CIN : L74239MH1982PLC026341

Regd. Office : 1st Floor, 18, Shreeji Bhuvan, 51, Mangaldas Road, Princes Street, Mumbai - 400 002.

Telephone : 022-66372841. E-mail : secretarial@mercurylabs.comwebsite : www.mercurylabs.com

Dear Shareholder

Subject: Deduction of tax at source on dividend

We hope that you and your family are doing well and are safe and healthy. Please take care of yourselves.

We wish to inform you that the Board of Directors of your Company have at their meeting held on 27th May, 2021 recommended dividend of Rs. 2/- per equity share having nominal value of Rs. 10/- each for the financial year ended 31st March, 2021.

The dividend, as recommended by the Board, if approved at the ensuing annual general meeting, will be paid to shareholders holding equity shares of the Company, either in electronic or in physical form after the book closure dates, for determining eligibility of shareholders to receive dividend.

As you may be aware, in terms of the provisions of the Income-tax Act, 1961, ("the Act") as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after 1st April, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of dividend.

For resident shareholders: tax will be deducted at source ("TDS") under Section 194 of the Act @ 7.5% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during FY 2020-21 does not exceed Rs. 5,000.

Tax at source will not be deducted in cases where a shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. Blank Form 15G and 15H can be downloaded from the link given at the end of this communication or from the website of the Company viz. www.mercurylabs.com

Needless to mention, the Permanent Account Number ("PAN") will be mandatorily required.

In order to provide exemption from withholding of tax, the following organisations must provide a self-declaration as listed below:

- i. **Insurance companies:** A declaration that they are beneficial owners of shares held;
- ii. **Mutual Funds:** A declaration that they are governed by the provisions of section 10(23D) of the Act along with copy of registration documents (self-attested);
- iii. **Alternative Investment Fund (AIF) established in India:** A declaration that its income is exempt under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations. Copy of registration documents (self-attested) should be provided.

For non-resident shareholders: tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the non-resident shareholder will have to provide the following:

- i. Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities;
- ii. Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident.
- iii. Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC.
- iv. Self-declaration by the non-resident shareholder of having no permanent establishment in India in accordance with the applicable Tax Treaty;
- v. Self-declaration of beneficial ownership by the non-resident shareholder.

The documents referred to in point nos. (iii) to (v) can be downloaded from the link given at the end of this communication or from the Company's website viz. www.mercurylabs.com

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholders.

Notwithstanding the above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors and Foreign Portfolio Investors under section 196D of the Act. Such TDS rate shall not be reduced on account of the application of the lower DTAA rate, if any.

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents not later than September 21, 2021

To summarise, dividend will be paid after deducting the tax at source as under:

- i. NIL for resident shareholders receiving dividend upto Rs.5000 or in case Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN card is submitted
- ii. 7.5% for resident shareholders in case copy of PAN card is provided/available
- iii. 20% for resident shareholders if copy of PAN card is not provided / not available
- iv. Tax will be assessed on the basis of documents submitted by the non-resident shareholders
- v. 20% plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted
- vi. Lower/ NIL TDS on submission of self-attested copy of the certificate issued under section 197 of the Act.
- vii. Kindly note that the aforementioned documents are uploaded on our company's website www.mercurylabs.com, or emailed to secretarial@mercurylabs.com. No communication on the tax determination / deduction shall be entertained after September 21, 2021

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted.

While on the subject, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by the first shareholder, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card, duly self-attested, with Link Intime. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested. We also request you to register your email IDs and mobile numbers with the Company on its website www.mercurylabs.com at the abovementioned emails.

We seek your co-operation in the matter.

Your sincerely,
For **Mercury Laboratories Limited**,

Sd/-
Kinjal Khandelwal
Company Secretary

Encl: Format of Form 15G, 15H, 10F and Self Declaration

Disclaimer: The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the Investors are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend.

FORM NO. 15G
[See section 197A(1), 197A(1A) and rule 29C]

Declaration under section 197A (1) and section 197A(1A) to be made by an individual or a person (not being a company or firm) claiming certain incomes without deduction of tax.

PART I

1. Name of Assessee (Declarant)		2. PAN of the Assessee ¹		
3. Status ²		4. Previous year(P.Y.) ³ (for which declaration is being made)		5. Residential Status ⁴
6. Flat/Door/Block No.	7. Name of Premises	8. Road/Street/Lane		9. Area/Locality
10. Town/City/District	11. State	12. PIN	13. Email	
14. Telephone No. (with STD Code) and Mobile No.		15 (a) Whether assessed to tax under the Income-tax Act, 1961 ⁵ :		Yes <input type="checkbox"/> No <input type="checkbox"/>
		(b) If yes, latest assessment year for which assessed		
16. Estimated income for which this declaration is made			17. Estimated total income of the P.Y. in which income mentioned in column 16 to be included ⁶	
18. Details of Form No. 15G other than this form filed during the previous year, if any ⁷				
Total No. of Form No. 15G filed		Aggregate amount of income for which Form No.15G filed		
19. Details of income for which the declaration is filed				
Sl. No.	Identification number of relevant investment/account, etc. ⁸	Nature of income	Section under which tax is deductible	Amount of income
1				
2				
3				
4				
5				
6				
7				

.....
Signature of the Declarant⁹

Declaration/Verification¹⁰

*I/We do hereby declare that to the best of *my/our knowledge and belief what is stated above is correct, complete and is truly stated. *I/We declare that the incomes referred to in this form are not includible in the total income of any other person under sections 60 to 64 of the Income-tax Act, 1961. *I/We further declare that the tax *on my/our estimated total income including *income/incomes referred to in column 16 *and aggregate amount of *income/incomes referred to in column 18 computed in accordance with the provisions of the Income-tax Act, 1961, for the previous year ending on relevant to the assessment year will be nil. *I/We also declare that *my/our *income/incomes referred to in column 16 *and the aggregate amount of *income/incomes referred to in column 18 for the previous year ending on relevant to the assessment year will not exceed the maximum amount which is not chargeable to income-tax.

Place

.....
Signature of the Declarant⁹

Date

PART II**[To be filled by the person responsible for paying the income referred to in column 16 of Part I]**

1. Name of the person responsible for paying		2. Unique Identification No. ¹¹	
3. PAN of the person responsible for paying	4. Complete Address		5. TAN of the person responsible for paying
6. Email	7. Telephone No. (with STD Code) and Mobile No.		8. Amount of income paid ¹²
9. Date on which Declaration is received (DD/MM/YYYY)		10. Date on which the income has been paid/credited	

Place

Signature of the person responsible for paying
the income referred to in column 16 of Part I

Date

*Delete whichever is not applicable.

1. As per provisions of section 206AA(2), the declaration under section 197A(1) or 197A(1A) shall be invalid if the declarant fails to furnish his valid Permanent Account Number (PAN).
2. Declaration can be furnished by an individual under section 197A(1) and a person (other than a company or a firm) under section 197A(1A).
3. The financial year to which the income pertains.
4. Please mention the residential status as per the provisions of section 6 of the Income-tax Act, 1961.
5. Please mention "Yes" if assessed to tax under the provisions of Income-tax Act, 1961 for any of the assessment year out of six assessment years preceding the year in which the declaration is filed.
6. Please mention the amount of estimated total income of the previous year for which the declaration is filed including the amount of income for which this declaration is made.
7. In case any declaration(s) in Form No. 15G is filed before filing this declaration during the previous year, mention the total number of such Form No. 15G filed along with the aggregate amount of income for which said declaration(s) have been filed.
8. Mention the distinctive number of shares, account number of term deposit, recurring deposit, National Savings Schemes, life insurance policy number, employee code, etc.
9. Indicate the capacity in which the declaration is furnished on behalf of a HUF, AOP, etc.
10. Before signing the declaration/verification, the declarant should satisfy himself that the information furnished in this form is true, correct and complete in all respects. Any person making a false statement in the declaration shall be liable to prosecution under section 277 of the Income-tax Act, 1961 and on conviction be punishable-
 - (i) in a case where tax sought to be evaded exceeds twenty-five lakh rupees, with rigorous imprisonment which shall not be less than six months but which may extend to seven years and with fine;
 - (ii) in any other case, with rigorous imprisonment which shall not be less than three months but which may extend to two years and with fine.
11. The person responsible for paying the income referred to in column 16 of Part I shall allot a unique identification number to all the Form No. 15G received by him during a quarter of the financial year and report this reference number along with the particulars prescribed in rule 31A(4)(vii) of the Income-tax Rules, 1962 in the TDS statement furnished for the same quarter. In case the person has also received Form No.15H during the same quarter, please allot separate series of serial number for Form No.15G and Form No.15H.
12. The person responsible for paying the income referred to in column 16 of Part I shall not accept the declaration where the amount of income of the nature referred to in sub-section (1) or sub-section (1A) of section 197A or the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to tax. For deciding the eligibility, he is required to verify income or the aggregate amount of incomes, as the case may be, reported by the declarant in columns 16 and 18.;

1FORM NO. 15H

[See section 197A(1C) and rule 29C]

Declaration under section 197A(1C) to be made by an individual who is of the age of sixty years or more claiming certain incomes without deduction of tax.

PART I

1. Name of Assessee (Declarant)		2. Permanent Account Number or Aadhaar Number of the Assessee ¹		3. Date of Birth ² (DD/MM/YYYY)	
4. Previous year(P.Y.) ³ (for which declaration is being made)		5. Flat/Door/Block No.		6. Name of Premises	
7. Road/Street/Lane		8. Area/Locality		9. Town/City/District	
10. State		11. PIN		12. Email	
13. Telephone No. (with STD Code) and Mobile No.		14 (a) Whether assessed to tax ⁴ :		Yes <input type="checkbox"/> No <input type="checkbox"/>	
(b) If yes, latest assessment year for which assessed		15. Estimated income for which this declaration is made		16. Estimated total income of the P.Y. in which income mentioned in column 15 to be included ⁵	
17. Details of Form No.15H other than this form filed for the previous year, if any ⁶		Total No. of Form No.15H filed		Aggregate amount of income for which Form No.15H filed	
18. Details of income for which the declaration is filed		Sl. No.		Identification number of relevant investment/account, etc. ⁷	
		Nature of income		Section under which tax is deductible	
		Amount of income			

.....
Signature of the Declarant

1. Substituted by the IT (Fourteenth Amdt.) Rules, 2015, w.e.f. 1-10-2015. Earlier Form No. 15H was amended by the IT (Fifth Amdt.) Rules, 1982, w.e.f. 21-6-1982, IT (Fifth Amdt.) Rules, 1989, w.e.f. 1-4-1988, IT (Fourteenth Amdt.) Rules, 1990, w.e.f. 20-11-1990, IT (Twelfth Amdt.) Rules, 1992, w.e.f. 1-6-1992, IT (Seventh Amdt.) Rules, 1995, w.e.f. 1-7-1995, IT (Thirty-second Amdt.) Rules, 1999, w.e.f. 19-11-1999, IT (Twelfth Amdt.) Rules, 2002, w.e.f. 21-6-2002, IT (Eighth Amdt.) Rules, 2003, w.e.f. 9-6-2003, IT (Fourteenth Amdt.) Rules, 2003, w.e.f. 1-8-2003 and IT (Second Amdt.) Rules, 2013, w.e.f. 19-2-2013.

Declaration/Verification

I do hereby declare that I am resident in India within the meaning of section 6 of the Income-tax Act, 1961. I also hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and is truly stated and that the incomes referred to in this form are not includible in the total income of any other person under sections 60 to 64 of the Income-tax Act, 1961. I further declare that the tax on my estimated total income including *income/incomes referred to in column 15 *and aggregate amount of *income/incomes referred to in column 17 computed in accordance with the provisions of the Income-tax Act, 1961, for the previous year ending on relevant to the assessment year will be nil.

Place:

Date:

.....
Signature of the Declarant**PART II****[To be filled by the person responsible for paying the income referred to in column 15 of Part I]**

1. Name of the person responsible for paying		2. Unique Identification No. ⁹	
3. Permanent Account Number or Aadhaar Number of the person responsible for paying		4. Complete Address	
5. TAN of the person responsible for paying		6. Email	
7. Telephone No. (with STD Code) and Mobile No.		8. Amount of income paid ¹⁰	
9. Date on which Declaration is received (DD/MM/YYYY)		10. Date on which the income has been paid/credited (DD/MM/YYYY)	

Place:

Date:

.....
Signature of the Declarant

*Delete whichever is not applicable.

1. As per provisions of section 206AA(2), the declaration under section 197A(1C) shall be invalid if the declarant fails to furnish his valid Permanent Account Number or Aadhaar Number.

2. Declaration can be furnished by a resident individual who is of the age of 60 years or more at any time during the previous year.

3. The financial year to which the income pertains.

4. Please mention "Yes" if assessed to tax under the provisions of Income-tax Act, 1961 for any of the assessment year out of six assessment years preceding the year in which the declaration is filed.

5. Please mention the amount of estimated total income of the previous year for which the declaration is filed including the amount of income for which this declaration is made.

6. In case any declaration(s) in Form No. 15H is filed before filing this declaration during the previous year, mention the total number of such Form No. 15H filed along with the aggregate amount of income for which said declaration(s) have been filed.

7. Mention the distinctive number of shares, account number of term deposit, recurring deposit, National Savings Schemes, life insurance policy number, employee code, etc.

8. Before signing the declaration/verification, the declarant should satisfy himself that the information furnished in this form is true, correct and complete in all respects. Any person making a false statement in the declaration shall be liable to prosecution under section 277 of the Income-tax Act, 1961 and on conviction be punishable.

- (i) In a case where tax sought to be evaded exceeds twenty-five lakh rupees, with rigorous imprisonment which shall not be less than six months but which may extend to seven years and with fine;
 - (ii) In any other case, with rigorous imprisonment which shall not be less than three months but which may extend to two years and with fine.
9. The person responsible for paying the income referred to in column 15 of Part I shall allot a unique identification number to all the Form No. 15H received by him during a quarter of the financial year and report this reference number along with the particulars prescribed in rule 31A(4)(vii) of the Income-tax Rules, 1962 in the TDS statement furnished for the same quarter. In case the person has also received Form No.15G during the same quarter, please allot separate series of serial number for Form No.15H and Form No.15G.
10. The person responsible for paying the income referred to in column 15 of Part I shall not accept the declaration where the amount of income of the nature referred to in section 197A(1C) or the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to tax after allowing for deduction(s) under Chapter VI-A, if any, or set off of loss, if any, under the head "income from house property" for which the declarant is eligible. For deciding the eligibility, he is required to verify income or the aggregate amount of incomes, as the case may be, reported by the declarant in columns 15 and 17.
11. [Provided that such person shall accept the declaration in a case where income of the assessee, who is eligible for rebate of income-tax under section 87A, is higher than the income for which declaration can be accepted as per this note, but his tax liability shall be nil after taking into account the rebate available to him under the said section 87A.]

Date: xx-xx - 2021

To,

Company Secretary
Mercury Laboratories Limited
First Floor 18, Shreeji Bhuvan,
51, Mangaldas Road, Princess Street
Mumbai – 400 002

Dear Sir/Madam,

Re: Declaration for claiming the tax treaty benefits for the financial year 2020-2021 (ending on March 31, 2021).

Declaration

This is to confirm that,

- [NAME OF SHAREHOLDER] is a tax resident of [COUNTRY OF RESIDENCE] as per the provisions of the Agreement for Avoidance of Double Taxation (**DTAA**) and Prevention of Fiscal Evasion between India and [COUNTRY OF RESIDENCE] (the "India-[COUNTRY OF RESIDENCE] DTAA");
- [NAME OF SHAREHOLDER] will continue to maintain the 'tax resident' status in *his/her/its respective Country for the application of the provisions of the India-[COUNTRY OF RESIDENCE] DTAA, during the financial year 2020-21;
- [NAME OF SHAREHOLDER] is eligible to claim the benefits under the **Income Tax** provisions of India-[COUNTRY OF RESIDENCE] DTAA;
- The claim of benefits by [NAME OF SHAREHOLDER] is not impaired in any way;
- [NAME OF THE SHAREHOLDER] is the beneficial owner of [NO OF SHARES] shares held in the Company. Further, [NAME OF THE SHAREHOLDER] is the beneficial owner of dividend receivable from the Company in relation to aforementioned shares;
- [NAME OF THE SHAREHOLDER] does not have any taxable presence, fixed base or permanent establishment in India as per the provisions of the India- [COUNTRY OF RESIDENCE] DTAA during the Financial Year 2020-21; and

[NAME OF THE SHAREHOLDER] will inform immediately the Company if there is any change in the status

*I/We hereby confirm that the declarations made above are complete, true and bona fide. This declaration is issued to the Company to enable them to decide upon the withholding tax applicable on the dividend income receivable by [NAME OF SHAREHOLDER].

Yours faithfully,

For [NAME OF SHAREHOLDER]

Authorized Signatory [Name/designation]

Email address: [Please insert]

Contact Number: [Please insert]

Contact address: [Please insert]

FORM NO. 10F

[See sub-rule (1) of rule 21AB]

Information to be provided under sub-section (5) of section 90 or sub-section (5) of section 90A of the Income-tax Act, 1961

I..... *son/daughter of Shri..... in the capacity of
 (designation) do provide the following information, relevant to the
 previous year..... *in my case/in the case of for the purposes of sub-section
 (5) of *section 90/section 90A:

Sl.No.	Nature of information	:	Details#
(i)	Status (individual, company, firm etc.) of the assessee	:	
(ii)	Permanent Account Number or Aadhaar Number of the assessee if allotted	:	
(iii)	Nationality (in the case of an individual) or Country or specified territory of incorporation or registration (in the case of others)	:	
(iv)	Assessee's tax identification number in the country or specified territory of residence and if there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a resident	:	
(v)	Period for which the residential status as mentioned in the certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A is applicable	:	
(vi)	Address of the assessee in the country or territory outside India during the period for which the certificate, mentioned in (v) above, is applicable	:	

2. I have obtained a certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A from the Government of (name of country or specified territory outside India)

Signature:

Name:

Address:

Permanent Account Number or Aadhaar Number

Verification

I do hereby declare that to the best of my knowledge and belief what is stated above is correct, complete and is truly stated.

Verified today the day of

.....
 Signature of the person providing the information

Place:

Notes :

- *Delete whichever is not applicable.
- #Write N.A. if the relevant information forms part of the certificate referred to in sub-section (4) of section 90 or sub-section (4) of section 90A.

