



**ANNUAL REPORT 2019-20**

**MAKERS LABORATORIES LIMITED**



## Five Years' Highlights

(₹ Lacs)

	2015-16	2016-17	2017-18	2018-19	2019-20
Total Income	6202.84	5983.62	5792.35	4919.67	<b>5162.21</b>
Profit Before Tax	350.34	533.64	423.55	301.62	<b>24.90</b>
Profit /(Loss) After Tax	230.61	369.97	305.69	244.88	<b>(12.38)</b>
Share Capital	491.70	491.70	491.70	491.70	<b>491.70</b>
Reserves & Surplus	2565.33	2914.67	3190.49	3678.45	<b>3970.23</b>
Net Worth	3057.03	3406.37	3682.19	4170.15	<b>4461.93</b>
Net Block	1372.57	1745.01	1672.29	2451.91	<b>3357.34</b>
Earnings Per Share (₹)	4.69	7.52	6.22	4.98	<b>(0.25)</b>
Book Value Per Share (₹)	62.17	69.28	74.89	84.81	<b>90.74</b>

**BOARD OF DIRECTORS**

R. K. P. Verma	- Chairman / Independent Director	(DIN 02166789)
P. M. Kathariya	- Independent Director	(DIN 00281395)
Dipti Shah	- Independent Director	(DIN 07995542)
Saahil Parikh	- Wholetime Director	(DIN 00400079)
Nilesh Jain	- Wholetime Director	(DIN 05263110)

**COMPANY SECRETARY**

Khyati Danani (ACS 21844)

**AUDITORS**

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

**COST AUDITORS**

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

**BANKERS**

Yes Bank Ltd.

**REGISTERED OFFICE**

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

**REGISTRARS & SHARE TRANSFER AGENTS**

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

**WORKS**

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

## CONTENTS

Notice.....	3
Directors' Report.....	17
Report on Corporate Governance.....	25
Secretarial Audit Report.....	56
Independent Auditors' Report.....	59
Annexure to Auditors' Report.....	62
Balance Sheet.....	66
Statement of Profit and Loss .....	67
Cash Flow Statement.....	68
Notes on Financial Statements.....	69
Five Years' Highlights.....	Inside Front Cover

NOTICE is hereby given that the 35<sup>th</sup> ANNUAL GENERAL MEETING (AGM) of Makers Laboratories Limited will be held on Thursday, 10<sup>th</sup> September, 2020 at 3.30 p.m. through Video Conferencing / Other Audio Visual Means (VC/OAVM) to transact the following business.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March, 2020 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nilesh Jain (DIN 05263110) who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. 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 Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), the Company hereby accords its approval to the re-appointment of and remuneration payable to Mr. Saahil Parikh (DIN 00400079) as the Wholetime Director of the Company for a further period of 3 years commencing 11<sup>th</sup> August, 2020 to 10<sup>th</sup> August, 2023 on the terms and conditions including remuneration as approved by the Nomination and Remuneration Committee of the Board and as set out in the agreement dated 15<sup>th</sup> June, 2020 entered into between the Company and Mr. Saahil Parikh, a copy whereof initialled by the Chairman for the purpose of identification is placed before the meeting, which agreement is hereby specifically approved.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this resolution.”

4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 (3) and such other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, M/s. Kale & Associates, Cost Accountants (Firm Registration No. 001819) who have been appointed as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2020-21 be paid remuneration of ₹ 65,000/- (Rupees Sixty Five Thousand Only) plus applicable tax and reimbursement of traveling and other out of pocket expenses.”

**IMPORTANT NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the business under Item Nos. 3 and 4 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on 15<sup>th</sup> June, 2020 considered that the special business under Item No. 3 and 4 being considered unavoidable, be transacted at the 35<sup>th</sup> AGM of the Company.
2. General instructions for accessing and participating in the 35<sup>th</sup> AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting
  - a. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and the restriction imposed on movement / gathering of persons at several places in the country and pursuant to General Circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 35<sup>th</sup> AGM of the Company is being conducted through VC/OAVM Facility, which

does not require physical presence of members at a common venue. The deemed venue for the 35<sup>th</sup> AGM shall be the registered office of the Company situated at Plot No. 54D, Kandivli Industrial Estate, Kandivli (West), Mumbai – 400 067.

- b. In terms of the circulars issued by MCA since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 35<sup>th</sup> AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting and for participation in the 35<sup>th</sup> AGM through VC/OAVM Facility and e-Voting.
- c. In line with the circulars issued by MCA and SEBI, the Notice of the 35<sup>th</sup> AGM will be available on the website of the Company at [www.makerslabs.com](http://www.makerslabs.com) and on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and also on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- d. Since the AGM will be held through VC/OAVM Facility, the Route Map of the AGM venue, proxy form and attendance slip is not annexed in this Notice.
- e. National Securities Depositories Limited (“NSDL”) will be providing facility for voting through remote e-Voting and for participation in the 35<sup>th</sup> AGM through VC/OAVM.
- f. Members may join the 35<sup>th</sup> AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 3.00 p.m. i.e. 30 minutes before the time scheduled to start the 35<sup>th</sup> AGM and shall be kept open during the proceedings of the AGM.
- g. Members may note that the VC/OAVM Facility provided by NSDL allows participation of only 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. 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. can attend the 35<sup>th</sup> AGM without any restriction of first-come first-served principle.
- h. Attendance of the Members participating in the 35<sup>th</sup> AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- i. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investors@makerslabs.com](mailto:investors@makerslabs.com).
- j. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company’s email id [investors@makerslabs.com](mailto:investors@makerslabs.com).
- k. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of Listing Regulations read with circulars issued by MCA and SEBI in this regard, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 35<sup>th</sup> AGM and also for those Members participating in the 35<sup>th</sup> AGM to cast vote through e-Voting system during the 35<sup>th</sup> AGM.

3. Instructions for Members for Remote e-Voting are as under:-

- I. The remote e-voting period commences on Monday, 7<sup>th</sup> September, 2020 (9:00 am) and ends on Wednesday, 9<sup>th</sup> September, 2020 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 4<sup>th</sup> September, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Any person who is not a Member as on the cut off date should treat this notice for information purpose only. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- II. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

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

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

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

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> / either on a personal computer or on a mobile phone.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services 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. Your password details are given below:
  - a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c. How to retrieve your 'initial password'?
  - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - 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.

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

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

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
  2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
  3. Select "EVEN" of the Company for which you wish to cast your vote.
  4. Now you are ready for e-voting as the Voting page opens.
  5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  6. Upon confirmation, the message "Vote cast successfully" will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
4. Process for those Members whose email ids are not registered for procuring user id and password and registration of email ids for e-Voting on the resolutions set out in this Notice:



- a. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the 35<sup>th</sup> AGM or cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by sending scanned copy of: i) a signed request letter mentioning name, folio number and complete address; and ii) self attested scanned copy of the PAN Card and any document (such as Driving Licence, Bank Statement, Election Card, Passport, AADHAR Card) in support of the address of the Member as registered with the Company; to the email address of the Company investors@makerslabs.com.
  - b. In case shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of (i) a signed request letter mentioning name, DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID); (ii) self attested scanned copy of client master or Consolidated Demat Account statement; and (iii) self attested scanned copy of the PAN Card, to the email address of the Company investors@makerslabs.com.
5. Instructions for Members for participating in the 35<sup>th</sup> AGM through VC/OAVM are as under:
- a. Members will be able to attend the 35<sup>th</sup> AGM through VC/OAVM Facility through the NSDL e-Voting system at <https://www.evoting.nsdl.com> under shareholders login by using the remote e-Voting credentials and selecting the EVEN for the Company's 35<sup>th</sup> AGM. 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 of the 35<sup>th</sup> AGM to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.
  - b. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.
  - c. Please note that Members connecting from mobile devices or tablets or through laptops etc 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.
  - d. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 35<sup>th</sup> AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address investors@makerslabs.com atleast 48 hours in advance before the start of the meeting i.e. by 8<sup>th</sup> September, 2020 by 3.30 p.m. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.
  - e. Members, who would like to ask questions during the 35<sup>th</sup> AGM with regard to the financial statements or any other matter to be placed at the 35<sup>th</sup> AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address [investors@makerslabs.com](mailto:investors@makerslabs.com) atleast 48 hours in advance before the start of the 35<sup>th</sup> AGM i.e. by 8<sup>th</sup> September, 2020 by 3.30 p.m. Those Members who have registered themselves as a speaker shall be allowed to speak/ask questions during the 35<sup>th</sup> AGM, depending upon the availability of time.
  - f. Institutional Investors who are Members of the Company, are encouraged to attend the 35<sup>th</sup> AGM through VC/OAVM Facility.
6. Instructions for Members for e-Voting during the 35<sup>th</sup> AGM are as under:
- a. Members may follow the same procedure for e-Voting during the 35<sup>th</sup> AGM as mentioned above for remote e-Voting.
  - b. Only those Members, who will be present in the 35<sup>th</sup> AGM through VC/OAVM Facility and have not cast 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 35<sup>th</sup> AGM.

- c. The Members who have cast their vote by remote e-Voting prior to the 35<sup>th</sup> AGM may also participate in the 35<sup>th</sup> AGM through VC/ OAVM Facility but shall not be entitled to cast their vote again.
  - d. The Helpline details of the person who may be contacted by the Member needing assistance with the use of technology, before or during the 35<sup>th</sup> AGM shall be the same persons mentioned for remote e-Voting and reproduced hereunder for convenience:
    - i) Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or at telephone number :+91-22-2499 4360.
    - ii) Ms. Pallavi Dabke, Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone number +91-22-2499 4545.
7. General Guidelines for Members
- a. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  - b. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Mr. Amit Vishal, Senior Manager or Ms Pallavi Dabke, Manager, National Securities Depository Ltd., Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone nos. : +91-22-2499 4360 or +91-22-2499 4545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the Company’s email address [investors@makerslabs.com](mailto:investors@makerslabs.com).
8. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cutoff date of 4<sup>th</sup> September, 2020.
9. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 35<sup>th</sup> AGM by email and holds shares as on the cut-off date i.e. 4<sup>th</sup> September, 2020, may obtain the User ID and password by sending a request to the Company’s email address [investors@makerslabs.com](mailto:investors@makerslabs.com). However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
10. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the AGM.
11. Ms. Jigyasa N. Ved (Membership No. FCS 6488 CP6018) or failing her Mr. P. N. Parikh (Membership No. FCS327 CP1228) or failing them Mr. Mitesh Dhaliwala (Membership No. FCS8331 CP9511) of M/s. Parikh & Associates, Practising Company Secretaries have been appointed as the Scrutinizer to scrutinize the remote e-Voting process (including e-Voting at the meeting) in a fair and transparent manner.
12. During the 35<sup>th</sup> AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 35<sup>th</sup> AGM, formally propose to the Members participating through VC/ OAVM Facility to vote on the resolutions as set out in the Notice of the 35<sup>th</sup> 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 35<sup>th</sup> AGM.

13. The Scrutinizer shall after the conclusion of e-Voting at the 35<sup>th</sup> AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 35<sup>th</sup> AGM, who shall then countersign and declare the result of the voting forthwith.
14. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.makerslabs.com](http://www.makerslabs.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.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 (BSE).
15. Pursuant to the circulars issued by MCA and SEBI, in view of the prevailing pandemic situation and owing to the difficulties involved in dispatching of physical copies of the Notice of the 35<sup>th</sup> AGM and the Annual Report for the financial year 2019-20 including therein, inter-alia, the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2020, the same are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s and who wish to receive the Notice of the 35<sup>th</sup> AGM and the Annual Report for the year 2019-20 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
  - a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, name, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address [investors@makerslabs.com](mailto:investors@makerslabs.com).
  - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
16. The Notice of the 35<sup>th</sup> AGM and the Annual Report for the financial year 2019-20 including therein, inter-alia, the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2020, will be available on the website of the Company at [www.makerslabs.com](http://www.makerslabs.com) and the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com). The Notice of 35<sup>th</sup> AGM will also be available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
17. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 5<sup>th</sup> September, 2020 to Thursday, 10<sup>th</sup> September, 2020 (both days inclusive) for the purpose of the Annual General Meeting.
18. Members are requested to:
  - (a) intimate to the Company / their Depository Participant ("DP"), changes, if any, in their registered address at an early date;
  - (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;
  - (c) encash the dividend warrants on their receipt as dividend amounts remaining unclaimed for seven years are required to be transferred to the 'Investor Education and Protection Fund' established by the Central Government under the provisions of the Companies Act, 2013. Pursuant to Section 124(5) of the Companies Act, 2013, all unclaimed dividend declared and paid upto dividend for the financial year 2010-11 have been transferred by the Company to the Investor Education and Protection Fund. Members who have not encashed their dividend warrants for subsequent period are requested to encash the same immediately.
  - (d) Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred all shares in respect of which dividend has not been encashed by the

shareholders for seven consecutive years or more in the name of Investor Education and Protection Fund (IEPF). The shareholders who wish to claim the said shares from the IEPF may claim the same by filing e-form No. IEPF-5 as prescribed under the said Rules available on [iepf.gov.in](http://iepf.gov.in) along with requisite fee as decided by the Authority from time to time. The Member/claimant can file only one consolidated claim in a financial year as per the IEPF Rules and amendments thereto.

- (e) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd. (Link Intime) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime.
  - (f) The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Link Intime India Pvt. Ltd..
19. During Fiscal 2019, the Securities and Exchange Board of India ("SEBI") and Ministry of Corporate Affairs ('MCA') has mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after 1<sup>st</sup> April, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialised form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer.
20. The information required to be provided regarding the directors seeking re-appointment is furnished in the Report on Corporate Governance annexed herewith.

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E-mail: [investors@makerslabs.com](mailto:investors@makerslabs.com)  
Website: [www.makerslabs.com](http://www.makerslabs.com)  
CIN: L24230MH1984PLC033389

By Order of the Board  
For Makers Laboratories Limited

Khyati Danani  
Company Secretary  
ACS 21844

Mumbai  
15<sup>th</sup> June, 2020

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 3**

At the meeting of the Board of Directors of the Company held on 15<sup>th</sup> June, 2020 and as recommended by the Nomination & Remuneration Committee, Mr. Saahil Parikh was re-appointed as the Wholetime Director of the Company for a further period of 3 years with effect from 11<sup>th</sup> August, 2020 to 10<sup>th</sup> August, 2023. Accordingly, an agreement setting out terms and conditions of his re-appointment including remuneration payable to him is entered into by the Company with Mr. Saahil Parikh, Wholetime Director on 15<sup>th</sup> June, 2020.

This re-appointment is in compliance with Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and is subject to the approval of the shareholders. The Agreement referred to in the resolution at item 3 of the accompanying notice sets out the remuneration and other terms and conditions applicable to Mr. Saahil Parikh upon his re-appointment as the Wholetime Director.

Mr. Saahil Parikh aged 45 years is a graduate in Bio-Chemistry from Gujarat University. He has also done his Diploma in Management Studies from Ahmedabad Management Association. He is the Wholetime Director of the Company since 11<sup>th</sup> August, 2011 and has experience of about 21 years in the field of Pharma Production, Quality Control, Projects and General Management.

He does not hold directorship in any other Company.

He holds 16842 equity shares in the Company.

Mr. Saahil Parikh is not debarred from holding the office of Director by virtue of any SEBI order or order by any other competent authority.

He is the member of Stakeholders Relationship Committee of the Board of Directors of the Company. He is not a member of any Committee of the Board of other companies since he is not a Director on the Board of any other company.

Number of Board Meetings held and attended by him during his tenure as Director of the Company is given in the Company's Corporate Governance Report available on the Company's website.

The abstract of the terms and conditions of his re-appointment as contained in the said Agreement is as follows:

1. Period: 3 years with effect from 11<sup>th</sup> August, 2020.
2. The Wholetime Director shall exercise and perform such powers and duties as the Board shall from time to time, determine, and subject to any directions and restrictions, from time to time, given and imposed by the Board, perform all other acts, deeds and things which, in the ordinary course of business, he may consider necessary or proper in the interest of the Company.
3. The Wholetime Director shall devote his whole-time attention and abilities to the business of the Company and shall obey the orders, from time to time, of the Board and in all respects conform to and comply with the directions and regulations made by the Board, and shall use his best endeavours to promote interests of the Company.
4. During the period of his employment the Wholetime Director shall whenever required by the Company undertake such travelling in India and elsewhere as the Board may from time to time direct in connection with or in relation to the business of the Company.
5. The Company shall, in consideration of the performance of his duties, pay to the Wholetime Director during the continuance of this Agreement, the following remuneration :
  - a. Salary of ₹ 2,60,000/- (Rupees Two Lacs Sixty Thousand Only) per month with such increments as may be decided by the Board from time to time subject to a ceiling of ₹ 3,30,000/- (Rupees Three Lacs Thirty Thousand Only) per month.

- b. Commission: Such remuneration by way of commission, in addition to the salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year and as may be determined by the Board of Directors of the Company, subject to the overall ceilings stipulated in Sections 197 and other applicable provisions of the Companies Act, 2013.

The specific amount of commission payable to the Wholetime Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after annual accounts have been adopted by the shareholders.

- c. Perquisites: In addition to the salary and commission the Wholetime Director shall be entitled to the following perquisites :

- i. Housing: The expenditure incurred by the Company on hiring furnished accommodation for the Wholetime Director will be subject to a maximum of thirty per cent of the salary. In case no accommodation is provided by the Company, the Wholetime Director shall be entitled to the house rent allowance subject to the said ceiling of 30% of the salary.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of ten per cent of the salary of the Wholetime Director.

- ii. Medical, Hospitalization and Health-care expenses Reimbursement: Expenses incurred for the Wholetime Director and his family to be paid in accordance with any rules specified by the Company subject to a ceiling of ₹ 35,000/- per annum.

- iii. Leave Travel Concession: For the Wholetime Director and his family, once in a year incurred in accordance with any rules specified by the Company subject to a ceiling of 1 month salary.

- iv. Personal accident insurance: As per the Rules specified by the Company.

- v. Provident Fund: Company's contribution to Provident Fund shall be as per the scheme applicable to the employees of the Company.

- vi. Contribution to National Pension Scheme: Company's contribution to any superannuation fund or national pension scheme shall be in accordance with the rules of the scheme as may be applicable or as may be framed / decided by the Company.

Contribution to provident fund, superannuation fund and national pension scheme will not be included in the computation of perquisites to the extent these either singly or put together are not taxable under the Income-tax Act.

- vii. Gratuity : As per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.

Contribution to gratuity fund will not be included in the computation of perquisites.

- viii. Encashment of Leave: Encashment of Leave at the end of the tenure of the Wholetime Director will not be included in the computation of perquisites.

- ix. Car: Provision of car for use on Company's business is not to be considered as perquisites.

- x. Telephone: Telephone(s) at the residence of the Wholetime Director and mobile phone(s) for official use is not to be considered as perquisites.

6. In the event of no profit or inadequacy of profits, the Company shall pay the aforesaid remuneration to the Wholetime Director by way of salary and perquisites as minimum remuneration.

7. The Wholetime Director shall be entitled to annual privilege leave on full salary for a period of thirty days and such leave shall be allowed to be accumulated for not more than ninety days during his tenure of appointment.

8. The Wholetime Director shall be entitled to :
  - a) the reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and
  - b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors.
9. The Wholetime Director shall devote his whole-time attention and abilities to the business of the Company and shall obey the orders, from time to time, of the Board and in all respects confirm to and comply with the directions and regulations made by the Board, and shall use his best endeavours to promote interests of the Company.
10. As long as Mr. Saahil Parikh functions as the Wholetime Director, he shall not be paid any sitting fee for attending the Meetings of the Board of Directors or Committee thereof.
11. As long as Mr. Saahil Parikh functions as Wholetime Director, he shall not become interested or otherwise concerned directly or through his wife and/or children, in any selling agency of the Company except with the required consents under the provisions of the Companies Act, 2013.
12. The Wholetime Director shall not during the continuance of his employment with the Company or at any time thereafter divulge or disclose to any person whomsoever or to make any use whatsoever for his own purpose or for any purpose other than that of the Company of any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets, or secret processes of the Company and the Wholetime Director shall during the continuance of his employment hereunder also use his best endeavor to prevent any other person from so doing provided however that such divulgence or disclosure by the Wholetime Director to officers and employees of the Company for the purpose of business of the Company shall not be deemed to be contravention of this clause.
13. Any property of the Company or relating to the business of the Company, including memoranda, notes, records, reports, plates, sketches, plans, recorded diskettes, drives, tapes, electronic memory gadgets or other documents which may be in the possession of or under the control of the Wholetime Director or to which the Wholetime Director has, at any time access shall, at the time of the termination of his employment be delivered by the Wholetime Director to the Company or as it shall direct and the Wholetime Director shall not be entitled to the copyright in any such document which he hereby acknowledges to be vested in the Company or its assigns and binds himself not to retain copies of any of them.
14. If the Wholetime Director shall at any time be prevented by ill health or accident or any physical or mental disability from performing his duties hereunder, he shall inform the Company and supply it with such details as it may reasonably require and if he shall be unable by reasons of ill health or accident or disability for a period of 90 days in any period of twelve consecutive calendar months, to perform his duties hereunder the Company may at its sole discretion forthwith terminate his employment.
15. The Company shall be entitled to forthwith terminate the agreement if he becomes insolvent or makes any composition or arrangement with his creditors or he ceases to be a Director of the Company.
16. In case of death of the Wholetime Director in the course of his employment with the Company, the Company shall pay to his legal representatives the salary and other emoluments payable hereunder for the then current month together with any such further sum as the Board in its sole and uncontrolled discretion may determine.
17. If the Wholetime Director is guilty of inattention to or negligence in the conduct of the business or of any other act or omission inconsistent with his duties as Wholetime Director or of any breach of this Agreement which in the opinion of the Board renders his retirement from the office of Wholetime

Director desirable, the Company by not less than thirty days notice in writing to the Wholetime Director determine this Agreement and upon the expiration of such notice the Wholetime Director shall cease to be the Director of the Company.

18. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at anytime by giving to the other party 60 days notice in writing in that behalf without the necessity of showing any cause and on the expiry of the period of such notice this Agreement shall stand determined and the Wholetime Director shall cease to be the Director of the Company. Provided that the aforesaid notice may be waived mutually by the parties hereto.
19. The terms and conditions including the remuneration payable to the Wholetime Director for the said appointment and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit.
20. This Agreement represents the entire agreement, between the parties hereto on the subject matter thereof.

Except Mr. Saahil Parikh himself and his relatives, none of the other Directors and Key Managerial Personnel of the Company or their respective relatives may be considered to be interested or concerned in passing of this resolution.

The Board of Directors accordingly recommends the resolution set out at Item No. 3 of the accompanying notice for the approval of the members by way of an ordinary resolution.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of The Institute of Company Secretaries of India (ICSI).

<b>I. General Information as required under Schedule V of the Companies Act, 2013</b>		
1.	Nature of industry	Pharmaceuticals
2.	Date or expected date of commencement of commercial production	The Company is already in the business of manufacturing / marketing of pharmaceuticals.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4.	Financial performance based on given indicators	The details of the financial performance of the Company for the last 5 financial years is given in the 2 <sup>nd</sup> cover page of the Annual Report 2019-20 accompanying this notice.
5.	Foreign investments or collaborators, if any	None
<b>II Information about the appointee</b>		
1.	Background details	Mr. Saahil Parikh aged 45 years is a graduate in Bio-Chemistry from Gujarat University and Diploma in Management Studies from Ahmedabad Management Association. He is the Wholetime Director of the Company since 11 <sup>th</sup> August, 2011 and has experience of about 21 years in the field of Pharma Production, Quality Control, Projects and General Management.
2.	Past remuneration	He has been working as Wholetime Director of the Company since 11 <sup>th</sup> August, 2011. For the financial year ended 31 <sup>st</sup> March, 2020, he was paid a remuneration of ₹ 45.82 lacs per annum.



3.	Recognition or awards	None
4.	Job profile and his suitability	His qualification and vast experience in the Pharma Industry is of benefit to the Company and he is the suitable candidate to hold office of Wholetime Directorship in the Company in-charge, inter-alia, of production, quality assurance, projects, commercial and general management functions.
5.	Remuneration proposed	As per the explanatory statement provided to item No. 3 of the accompanying notice.
6.	Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin.)	The remuneration paid / to be paid to the Wholetime Director is in line with the industry standard of similar size of company.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	None.
<b>III</b>	<b>Other information</b>	
1.	Reasons of loss or inadequate profits	The Company's margins are under pressure due to competition from small manufacturers. The business of the Company is also impacted from the month of March, 2020 onwards due to outbreak of Covid-19 pandemic.
2.	Steps taken or proposed to be taken for improvement	Necessary steps are taken to improve the profitability like cost containment, new product addition, increasing the geographical reach of Company's marketing activities, etc. The Company's new sterile eye-drops manufacturing facility is expected to commence commercial production in the later part of the calendar year 2020.
3.	Expected increase in productivity and profits in measurable terms	It is expected that the Company should do reasonably well in financial terms and increase the profitability within the next couple of years.
<b>IV</b>	<b>Disclosures</b>	
1.	The following disclosures shall be mentioned in the Board of Directors' Report under the heading 'Corporate Governance', if any, attached to the annual report :-	
	i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors	Disclosed in Corporate Governance Report forming part of this Annual Report. .
	ii) Details of fixed component and performance linked incentives along with the performance criteria	Furnished in the explanatory statement forming part of this notice.

	iii)	Service contracts, notice period, severance fees	As per explanatory statement forming part of this notice and Corporate Governance Report accompanying this notice.
	iv)	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	Not applicable since the Company has no scheme for grant of any stock option either to the Directors or to the employees.

**Item No. 4**

The Board of Directors on the recommendation of the Audit Committee has appointed M/s Kale & Associates, Cost Accountants (Firm Registration No. 001819), as the Cost Auditors of the Company for the financial year 2020-21. A Certificate issued by the firm regarding their eligibility for appointment as Cost Auditors is available for inspection electronically by the members without payment of fee from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect this certificate can send an email to Company's e mail ID [investors@makerslabs.com](mailto:investors@makerslabs.com).

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

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution set out at Item No. 4.

The Board of Directors accordingly recommend the resolution set out at Item No. 4 of the accompanying Notice for the approval of the members.

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Website: [www.makerslabs.com](http://www.makerslabs.com)  
CIN: L24230MH1984PLC033389

By Order of the Board  
For Makers Laboratories Limited

Khyati Danani  
Company Secretary  
ACS 21844

Mumbai  
15<sup>th</sup> June, 2020

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the 35<sup>th</sup> Annual Report and Financial Statements for the year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS / PERFORMANCE

	For the year ended 31.3.2020 (₹ Lacs)	For the year ended 31.3.2019 (₹ Lacs)
<b>Total Income</b>	<b>5162.21</b>	4919.67
Profit before finance cost, depreciation and taxation	<b>293.96</b>	477.31
Less : Finance Cost	<b>70.31</b>	25.41
Depreciation & Amortisation	<b>198.75</b>	150.28
<b>Profit before tax</b>	<b>24.90</b>	<b>301.62</b>
<b>Provision for taxation</b>		
Current tax	<b>3.82</b>	76.70
Deferred tax liability / (asset)	<b>33.46</b>	(19.96)
<b>Net Profit/(Loss) after Tax</b>	<b>(12.38)</b>	<b>244.88</b>

### TRANSFER TO RESERVES

The Company does not propose to transfer any amount to the general reserve out of the amount available for appropriation.

### FINANCIAL STATEMENTS

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

### CREDIT RATING

CARE Ratings has assigned the following ratings to the Company's long term bank facilities of ₹ 12.50 crores - CARE BBB+; Stable (Triple B Plus; Outlook: Stable)

### COVID -19 PANDEMIC

In the last quarter of the financial year 2019-20, the coronavirus disease emerged as a global pandemic resulting in many governments declaring lockdowns forcing citizens to stay indoors and disruption of economic activities globally.

Being manufacturers and marketers of generic pharmaceuticals and hence provider of essential services and exempted from lockdown, the manufacturing facility and marketing activities of your Company continued with the manufacturing and marketing operations with initial challenges such as shortage of manpower, availability of raw materials, packing materials and disruptions in the logistics and supply chain.

Your Company is continuously monitoring the situation closely and has taken/continue to take all the measures to comply with the guidelines issued by the local authorities, from time to time, to ensure the safety of its workforce at manufacturing plants and offices.

However, the extent to which the Covid-19 pandemic may impact the Company, its operations and financials will depend on future developments in this regard which as on date are uncertain.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (a) Financial Performance and Operations Review

Sales and other income for the financial year under report amounted to ₹ 5162.21 lacs as compared with ₹ 4919.67 lacs for the previous year, a growth of 5%.

The operations of the Company have resulted in a net loss of ₹ 12.38 lacs as compared to a net profit of ₹ 244.88 lacs in the previous financial year.

Your Company markets generic formulations which are mainly used by the dispensing doctors, nursing homes and hospitals. The Company's business volume, margins and profitability were impacted during the financial year under report due to severe competition in the market place as well as increase in the input costs mainly of Active Pharmaceutical Ingredients, which could not be entirely passed on due to competition and price control regime. The lock down announced in the month of March, 2020 due to Covid-19 pandemic resulted in the disruption of economic activities including that of healthcare system and impacted the Company's business.

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

The Company is in the process of commercializing its ophthalmic / eye drops manufacturing unit at GIDC, Naroda, Ahmedabad set-up with a capital outlay of about ₹ 15.23 crores within the next few months. The manufacturing facility is ready and the validation batches of the ophthalmic eye drops are currently being manufactured. The manufacturing of ophthalmic eye drops for commercial sale is expected to take place in the next couple of months.

### Key Financial Ratios

		31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
1.	Debtors Turnover Ratio	6.80	9.28
2.	Inventory Turnover Ratio	4.74	3.94
3.	Interest Coverage Ratio	4.18	18.78
4.	Current Ratio	1.23	2.02
5.	Debt Equity Ratio	0.18	0.14
6.	Operating Profit Margin (%)	1.32%	1.38%
7.	Net Profit Margin (%)	-0.24%	4.98%
8.	Return on Net Worth	-0.28%	5.87%

However, for the reasons stated hereinabove, there was impact on the business volume and sales which resulted into reduced operating margins and net loss in the financial year and deterioration in the most of the above key financial ratios.

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

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

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

### (c) Internal Control Systems

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

documented policies, guidelines, authorisation and approval procedures. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit Committee of the Board.

**(d) Human Resources**

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

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

Your Company had 135 permanent employees as at 31<sup>st</sup> March, 2020.

**(e) Cautionary Statement**

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

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

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

**SHARE CAPITAL**

The paid-up equity share capital of the Company as at 31<sup>st</sup> March, 2020 is ₹ 491.70 lacs. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

**SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES**

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

**RESEARCH & DEVELOPMENT**

During the year under report, the Company has spent an amount of ₹ 43.78 lacs as R&D expenditure (0.85% of the turnover) as against ₹ 31.87 lacs spent in the previous financial year (0.68% of the turnover).

**DIVIDEND**

In view of the losses incurred, the Board of Directors do not recommend dividend for the financial year under report.

**INVESTORS EDUCATION AND PROTECTION FUND (IEPF)**

During the year under report, the Company has transferred to the Investors Education and Protection Fund (IEPF) all the unpaid dividend amount required to be so transferred on or before the due date for such transfer. The Company has also transferred to IEPF, such of the Company's equity shares in respect of which the dividend declared has not been paid or claimed for seven consecutive years.

The details of the unpaid / unclaimed dividend for the last seven financial years are available on the website of the Company ([www.makerslabs.com](http://www.makerslabs.com)).

The Company has appointed the Company Secretary as its nodal officer under the provisions of IEPF.

**DIRECTORS**

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

Mr. Saahil Parikh is being re-appointed as the Wholetime Director of the Company for a further period of 3 years with effect from 11<sup>th</sup> August, 2020 and the necessary resolution in this regard is being proposed at the ensuing Annual General Meeting for the approval of the members.

Mr. R. K. P. Verma, Mr. P. M. Kathariya and Ms. Dipti Shah who are independent directors, have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations and there has been no change in the circumstances which may affect their status as independent directors during the year.

None of the directors of the Company are debarred from holding the office of Director by virtue of any SEBI order or order by any other competent authority.

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

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

#### **KEY MANAGERIAL PERSONNEL (KMP)**

During the financial year under report, the following persons are the Key Managerial Personnel:

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

There was no change in the KMP during the financial year under report.

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

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

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

#### **BOARD EVALUATION**

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

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

#### **PROFICIENCY OF DIRECTORS**

All the Independent Directors of the Company have registered their names in the database maintained by Indian Institute of Corporate Affairs, Manesar, Haryana. Those of the Independent Directors who are not otherwise exempted shall appear for the common proficiency test conducted by the said institute within the prescribed time.

#### **REMUNERATION POLICY**

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

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

#### **FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS**

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

#### **MEETINGS OF THE BOARD AND COMMITTEES THEREOF**

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- ii) that your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2020 and of the loss of the Company for the financial year;
- iii) that your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that your Directors have prepared the annual accounts on a going concern basis;
- v) that your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) that your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**CORPORATE GOVERNANCE**

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

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

**FIXED DEPOSITS**

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

**AUDIT COMMITTEE**

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

**AUDITORS, AUDIT REPORT AND AUDITED ACCOUNTS**

M/s. Natvarlal Vepari & Co., Chartered Accountants (Firm Registration No. 106971W) were appointed as the Statutory Auditors at the 32<sup>nd</sup> Annual General Meeting (AGM) of the Company for a term of 5 (Five) years i.e. till the conclusion of 37<sup>th</sup> AGM and this appointment was ratified by the shareholders of the Company at the 33<sup>rd</sup> Annual General Meeting of the Company held on 2<sup>nd</sup> August, 2018.

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

**COST AUDIT**

Pursuant to the provisions of Section 148 of the Companies Act, 2013, M/s. Kale & Associates, Cost Accountants (Firm Registration. No. 001819) were appointed as the Cost Auditors to conduct audit of cost records of the Company for the financial year 2019-20.

The Cost Audit Report for the financial year 2018-19, which was due to be filed with the Ministry of Corporate Affairs by 23<sup>rd</sup> October, 2019 was filed on 11<sup>th</sup> October, 2019.

The Company has maintained the cost accounts and cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

**SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Parikh & Associates, Practising Company Secretaries were appointed as the Secretarial Auditors for auditing the secretarial records of the Company for the financial year 2019-20.

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

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

**SAFETY, ENVIRONMENT AND HEALTH**

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



**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

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

**RELATED PARTY TRANSACTIONS**

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

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

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

Related party transactions are disclosed in the notes to the financial statements. Prescribed Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is furnished as Annexure 2 to this report.

**PARTICULARS OF EMPLOYEES**

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

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

**CODE OF CONDUCT**

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

**WHISTLE BLOWER POLICY / VIGIL MECHANISM**

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

**PREVENTION OF INSIDER TRADING**

The Board has adopted a Code of Prevention of Insider Trading based on the SEBI (Prohibition of Insider Trading) Regulations, 2015. The same has been placed on the website of the Company [www.makerslabs.com](http://www.makerslabs.com).

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

**CONSTITUTION OF COMMITTEE UNDER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has adopted a policy in line with the requirements of Prevention of Sexual Harassment of Women at the Workplace and a Committee has been set-up to redress sexual harassment complaints received, if any.

**BUSINESS RISK MANAGEMENT**

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

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

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

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

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

**EXTRACT OF ANNUAL RETURN**

In accordance with the requirements of Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an abstract of Annual Return in Form MGT-9 is furnished as Annexure 5 to this report which is placed on the website of the Company as part of Company's Annual Report 2019-20.

**SECRETARIAL STANDARDS**

The Company has complied with all the applicable Secretarial Standards.

**ACKNOWLEDGEMENTS**

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

Mumbai  
15<sup>th</sup> June, 2020

For and on behalf of the Board  
R. K. P. Verma  
Chairman

## ANNEXURE 1

### REPORT ON CORPORATE GOVERNANCE

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

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

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

#### 2. Board of Directors

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

The present strength of the Board of Directors of the Company is 5 directors of which 2 are professional Non-Promoter Wholtime Directors and 3 Directors who are Non-Executive Independent Directors (including one woman director) comprising of at least one half of the total strength of the Board with independent judgement in the deliberation and decisions of the Board. The Chairman of the Board is an Independent Director.

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

Name of the Director	Category	No. of board meetings		Attendance at last AGM (08.08.2019)	No. of Equity shares held in the Company **
		Held	Attended		
Mr. R. K. P. Verma (DIN 02166789)	Chairman, Non-Executive Independent Director	5	5	Yes	Nil
Mr. P. M. Kathariya (DIN 00281395)	Non-Executive Independent Director	5	5	Yes	Nil
Ms. Dipti Shah (DIN 07995542)	Non-Executive Independent Director	5	5	Yes	Nil
Mr. Saahil Parikh (DIN 00400079)	Executive, Non Independent Director	5	4	Yes	16842
Mr. Nilesh Jain (DIN 05263110)	Executive, Non Independent Director	5	5	Yes	Nil

\*\*The above shareholding as at 31<sup>st</sup> March, 2020 is in respect of shares which are held by Directors as a first holder and in which shares they have beneficial interest.

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

Name of Director	No. of other companies in which Director (including private companies)	No. of committees in which Member (other than Makers)	No. of committees of which he/she is Chairman (other than Makers)
Mr. R. K. P. Verma	2	None	None
Mr. P. M. Kathariya	3	2	None
Ms. Dipti Shah	None	None	None
Mr. Saahil Parikh	None	None	None
Mr. Nilesh Jain	None	None	None

Mr. R. K. P. Verma is an Independent Director on the Board of Directors of M/s. Krebs Biochemicals and Industries Limited, a listed entity. He is not a member of any Committee of the Board of Directors of the said Company.

Mr. P. M. Kathariya is an Independent Director on the Board of Directors of M/s. Ravi Kumar Distilleries Limited, a listed entity. He is also a member of the Audit Committee of the said company. He is also a Director on the Board of Directors of M/s. Avik Pharmaceutical Limited, a unlisted public company. He is also a member of the Audit Committee of the said company.

None of the other Directors of the Company are on the Board of Directors of any listed company.

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

**d) Number of meetings of the board of directors held during the financial year 2019-20 and dates on which held**

5 (Five) board meetings were held during the Financial Year 2019-20. The dates on which the said meetings were held are as follows:

22 <sup>nd</sup> May, 2019	8 <sup>th</sup> August, 2019	23 <sup>rd</sup> September, 2019
6 <sup>th</sup> November, 2019	6 <sup>th</sup> February, 2020	

The last Annual General Meeting of the Company was held on 8<sup>th</sup> August, 2019.

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

None of the Directors are related to each other.

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

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

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

The Company has conducted familiarisation programs for the Independent Directors with regards to their role, rights and responsibilities as Independent Directors. The Independent Directors are also regularly briefed on the nature of the pharmaceuticals industry and the Company's business model. The familiarisation programs have been uploaded on the website of the Company at <http://www.makerslabs.com/pdf/appointment/Familiarisation-Programs-for-2019-20.pdf>.

**h) A chart or a matrix setting out the skills/expertise/competence of the board of directors**

The Board considers that the following core skills / expertise / competence of the Board of Directors are required in the context of its business and its sector for it to function effectively: research & development, technical, manufacturing, marketing, commercial, regulatory, finance, legal and general management.

In the opinion of the Board, these skills / expertise / competence are actually available with its Board of Directors.

<b>Skills / Expertise / Competence of the Board of Directors that are required in the context of business of the Company</b>	<b>Names of the Directors who have such skills / expertise / competence</b>
Research & Development	Mr. Saahil Parikh
Technical	Mr. Saahil Parikh
Manufacturing & Marketing	Mr. Saahil Parikh Mr. Nilesh Jain Mr. R. K. P. Verma
Commercial	Mr. Saahil Parikh Mr. Nilesh Jain Mr. R. K. P. Verma
Regulatory	Mr. Saahil Parikh
Finance	Mr. Saahil Parikh Mr. Nilesh Jain Mr. R. K. P. Verma Mr. P. M. Kathariya Ms. Dipti Shah
Legal And General Management	Mr. Saahil Parikh Mr. Nilesh Jain Mr. R. K. P. Verma Mr. P. M. Kathariya Ms. Dipti Shah

- i) **Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.**

It is confirmed 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.

- j) **Detailed reasons for the resignation of any independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided**

During the financial year under report, none of the Independent Directors have resigned from the Board of Directors of the Company.

### 3. Audit Committee

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

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

reference and to seek information from any employee of the Company as well as seek outside legal and professional advice.

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

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

The Audit Committee of the Company currently comprises of Mr. P. M. Kathariya, Chairman of the Committee, Mr. R. K. P. Verma and Ms. Dipti Shah, all being Independent Directors with independent judgment in the deliberation and decisions of the Board as well as Audit Committee and Mr. Nilesh Jain, Wholetime Director. All members of the Audit Committee have knowledge on financial matters and ability to read and understand financial statements. The Chairman of the Audit Committee is a practising Chartered Accountant. Mr. Saahil Parikh, Wholetime Director / CEO and Mr. Sandeep Kadam, Manager – Accounts / CFO who is in-charge of Finance function of the Company along with Statutory Auditors, Internal Auditors and Cost Auditors are invitees to the meetings of the Audit Committee.

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

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

**c) Audit Committee meetings and the attendance during the financial year 2019-20**

There were 5 (Five) meetings of the Audit Committee during the Financial Year 2019-20. The gap between two meetings did not exceed 120 days. The dates on which the said meetings were held are as follows:

22 <sup>nd</sup> May, 2019	8 <sup>th</sup> August, 2019	23 <sup>rd</sup> September, 2019
6 <sup>th</sup> November, 2019	6 <sup>th</sup> February, 2020	

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

Name of the Director	No. of meetings held	No. of meetings attended
Mr. P. M. Kathariya	5	5
Mr. R. K. P. Verma	5	5
Ms. Dipti Shah	5	5
Mr. Nilesh Jain	5	5

The previous annual general meeting of the Company was held on 8<sup>th</sup> August, 2019 and was attended by Mr. P. M. Kathariya, the Chairman of the Audit committee.

**4. Nomination and Remuneration Committee**

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

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

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

The Company has a Nomination and Remuneration Committee of the Board which currently comprises of Mr. P. M. Kathariya, Chairman of the Committee, Mr. R. K. P. Verma and Ms. Dipti Shah, all independent directors to function in the manner and to deal with the matters specified in Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also to review the overall compensation structure and policies of the Company to attract, motivate and retain employees.

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

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

**c) Meeting and attendance during the financial year 2019-20**

There were 2 (Two) meetings of this Committee during the Financial Year 2019-20. The dates on which the said meetings were held are as follows:

6 <sup>th</sup> November, 2019	6 <sup>th</sup> February, 2020
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The attendance of each member of the Nomination and Remuneration Committee in the committee meetings is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. P. M. Kathariya	2	2
Mr. R. K. P. Verma	2	2
Ms. Dipti Shah	2	2

**d) Performance evaluation criteria for Independent Directors**

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

**5. Remuneration of Directors**

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

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

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

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

Details of payments made to Non-Executive Directors in the Financial Year 2019-20 are as under:

Name of the Director	Sitting fees Paid (₹)	Commission paid (₹)
Mr. R. K. P. Verma	1,60,000	Nil
Mr. P. M. Kathariya	1,60,000	Nil
Ms. Dipti Shah	1,45,000	Nil

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

**c) Disclosures with respect to remuneration paid / payable to Wholetime Directors for the financial year 2019-20**

i. The details of the remuneration paid/payable to Wholetime Directors for the Financial Year 2019-20 are given below

Name of Directors	Salary*	Benefits / Perquisites / Pension etc.*	Commission (performance linked)	Stock Options	Total (₹)
Mr. Saahil Parikh (Wholetime Director/ CEO)	27,78,600	18,03,229	-	-	45,81,829
Mr. Nilesh Jain (Wholetime Director)	15,84,000	9,21,176	-	-	25,05,176

\* Fixed Component

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

The required details are given in the table above.

iii. Service contracts, notice period, severance fees

The appointment of Whole-time Directors is contractual and is generally for a period of 3 years. The Company has entered into agreement with Mr. Saahil Parikh on 15<sup>th</sup> June, 2020 which is valid upto 10<sup>th</sup> August, 2023 and with Mr. Nilesh Jain on 13<sup>th</sup> February, 2019 which is valid upto 12<sup>th</sup> February, 2022. Either party is entitled to terminate the agreement by giving not less than 60 days notice in writing to the other party. There is no separate provision for payment of severance fee in the agreements signed by the Company with them.

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

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

**6. Stakeholders Relationship Committee**

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

The Stakeholders Relationship Committee currently comprises of Mr. R. K. P. Verma, Non-Executive / Independent Director, Chairman of the Committee, Mr. P. M. Kathariya, Non-Executive Independent Director and Mr. Saahil Parikh, Wholetime Director/CEO. This Committee functions in the manner and deals with the matters specified in Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The committee monitors share



transfers, transmissions and other shareholders related activities including redressal of investor grievances.

Meetings held and attendance during the financial year 2019-20

There were 2 (Two) meetings of this committee during the financial year 2019-20. The dates on which the said meetings were held are as follows:

22 <sup>nd</sup> May, 2019	6 <sup>th</sup> February, 2020
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The attendance of each member of the Stakeholders Relationship Committee in the committee meetings is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. R. K. P. Verma	2	2
Mr. P. M. Kathariya	2	2
Mr. Saahil Parikh	2	2

Mr. R. K. P. Verma, the Chairman of the Committee attended the last Annual General Meeting of the Company held on 8<sup>th</sup> August, 2019.

**b) Name and designation of Compliance officer**

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

**c) Number of shareholders' complaints received**

During the year, the Company received 1 complaint/communication from the shareholders which is attended to.

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

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

**e) Number of pending complaints**

Nil

**7. General Body Meetings**

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

AGM for the financial year ended	Day, Date & Time of AGM	Place of AGM	Special Resolutions Passed
31-3-2019	Thursday, 8 <sup>th</sup> August, 2019 at 11.00 a.m.	Anand Mangal Hall, Plot No. 150, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai- 400 067	• None
31-3-2018	Thursday, 2 <sup>nd</sup> August, 2018 at 11.00 a.m.	Anand Mangal Hall, Plot No. 150, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai- 400 067	• None
31-3-2017	Thursday, 27 <sup>th</sup> July, 2017 at 11.00 a.m.	Anand Mangal Hall, Plot No. 150, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai- 400 067	• None

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

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

- b) Whether any special resolutions passed in the previous three annual general meetings**  
No special resolutions were passed in the previous three annual general meetings.
- c) Whether any special resolution passed last year through postal ballot**  
No special resolution was passed in the last financial year using postal ballot.
- d) Person who conducted the postal ballot exercise**  
Not Applicable
- e) Whether any special resolution is proposed to be conducted through postal ballot**  
No special resolution is currently proposed to be conducted through postal ballot.
- f) Procedure for postal ballot**  
Not applicable since no resolution is currently proposed to be passed through postal ballot.

#### **8. Means of communication**

- a) Quarterly / Annual Results : The results of the Company are submitted to the stock exchange where the shares of the Company is listed and published in the newspapers after the approval of the Board.
- b) Newspapers wherein results normally published : The Financial Express, Free Press Journal and Nav Shakti.
- c) Website, where displayed : [www.makerslabs.com](http://www.makerslabs.com)
- d) Whether website also displays official news releases : Yes
- e) Presentation made to institutional investors or to the analysts : Presentations were not made to institutional investors or analysts during the financial year 2019-20.

#### **9. General Shareholders Information**

- a) AGM : Date, Time and Venue : Thursday, 10<sup>th</sup> September, 2020 at 3.30 pm through video conferencing / other audio visual means (VC/OAVM). Plot No. 54D, Kandivli Industrial Estate, Kandivli (West), Mumbai shall deemed to be the venue of the AGM.
- b) Financial Year : 1<sup>st</sup> April –31<sup>st</sup> March  
 First quarter results : first week of August\*  
 Second quarter results : first week of November\*  
 Third quarter results : first week of February\*  
 Annual results : last week of May\*  
 \* tentative
- c) Dividend Payment dates : The Company has not declared any dividend for the financial year ended 31<sup>st</sup> March, 2020.
- Date of Book closure : Saturday, 5<sup>th</sup> September, 2020 to Thursday, 10<sup>th</sup> September, 2020 (both days inclusive) for the purpose of Annual General Meeting.

- d) The name and address of each stock exchange(s) at which the Company's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s) : • BSE Ltd. (BSE)  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400 023  
Listing fee has been paid to BSE for the financial year 2020-21 in April, 2020. The fees of the depositories for the financial year 2020-21 were also paid in May 2020 on receipt of their invoices.
- e) Stock code – Physical and ISIN Number for NSDL and CDSL : 506919 on BSE  
INE 987A01010  
Corporate Identity Number allotted by Ministry of Corporate Affairs : L24230MH1984PLC033389
- f) Market price data: high, low during each month in last financial year : Please see Annexure 'A'
- g) Stock performance in comparison to BSE Sensex : Please see Annexure 'B'
- h) In case the securities are suspended from trading, the directors report shall explain the reason thereof : The securities of the Company are not suspended from trading by the Stock Exchange.
- i) Registrars and share transfer agents : Link Intime India Private Limited  
C-101, 247 Park,  
LBS Marg, Vikhroli (West)  
Mumbai – 400 083  
Tel. No. (022) 4918 6000  
Fax. No.(022) 4918 6060  
Email : rnt.helpdesk@linkintime.co.in
- j) Share transfer system : All share transfer, request for transmission / transposition, etc. subject to correctness and completion of all documents would normally be registered and returned within fifteen days from the date of receipt.  
During Fiscal 2019, the Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA') has mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after 1<sup>st</sup> April, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialised form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer.
- k) Distribution of shareholding/ shareholding pattern as on 31.3.2020 : Please see Annexure 'C'
- l) Dematerialisation of shares and liquidity : 97.00% of the paid-up share capital has been dematerialised as on 31<sup>st</sup> March, 2020.

- m) Outstanding GDRs/ADRs/warrants/convertible instruments, conversion date and likely impact on equity : Not applicable since none of the said instruments are ever issued.
- n) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities : The Company is not materially exposed to commodity price / foreign exchange risk. The Company also does not carry out any commodity or currency hedging activities.
- o) Plant Location : Plot No. 29/3, Phase III  
GIDC Industrial Estate  
Naroda, Ahmedabad – 382 330 Gujarat
- p) Address for Correspondence : Ms. Khyati Danani  
Company Secretary  
Makers Laboratories Limited  
54D, Kandivli Industrial Estate  
Kandivli (W), Mumbai 400 067  
E-mail: investors@makerslabs.com  
Tel: (022) 2868 8544  
Fax: (022) 2868 8544
- q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad : CARE Ratings has assigned the following ratings to the Company's long term bank facilities of ₹ 12.50 crores - CARE BBB+; Stable (Triple B Plus; Outlook: Stable) (Re-affirmed)
- r) Share transfer and other communications may be addressed to the Registrars : Link Intime India Private Limited  
C-101, 247 Park,  
LBS Marg, Vikhroli (West)  
Mumbai – 400 083  
Tel. No. (022) 4918 6000  
Fax. No.(022) 4918 6060  
Email : rnt.helpdesk@linkintime.co.in

## 10. Other Disclosures

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

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

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

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

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

None

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

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

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

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

- e) Web link where policy for determining 'material' subsidiaries is disclosed**

The Company does not have any subsidiary company.

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

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

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

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

- h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

The Company has not raised any funds through preferential allotment or through qualified institutional placement of its shares during the year.

- i) A certificate from a Company Secretary in practice 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 Board/Ministry of Corporate Affairs or any such statutory authority**

The Company has obtained a certificate in this regard from a Company Secretary in practice.

- j) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof**

The Board has accepted and acted on all the mandatory recommendations of its committees during the financial year under report.

- k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

The Company does not have any subsidiary. The fees paid by the Company to its Statutory Auditors are stated in the appended Audited Financial Statements of the Company.

**I) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Number of complaints filed during the calendar year 2019 : None  
 Number of complaints disposed of during the calendar year 2019 : None  
 Number of complaints pending as on end of the calendar year 2019 : None

**11. Non-Compliance of any requirement of Corporate Governance Report with reasons thereof**

None

**12. Adoption of Discretionary Requirements**

A. The Board	The Company currently has a Non-Executive Chairman of the Board of Directors. However, the Company has not maintained any office for him.
B. Shareholders Rights	At present, the Company does not send the statement of half yearly financial performance to the household of each shareholder.
C. Modified opinion(s) in audit report	The Company's financial statements are with unmodified audit opinion.
D. Reporting of internal auditor	The firm of Internal Auditors reports to the Wholetime Director / CEO as well as to the Audit Committee.

**13. The disclosures of the compliance with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46**

- a) The Company has a process to provide, inter-alia, the information to the Board as specified in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to Corporate Governance. The Board also periodically reviews the compliances by the Company of all applicable laws.
- b) The Board of Directors in their meeting regularly discuss and are satisfied that the Company has plans in place for orderly succession for appointment to the Board of Directors and Senior Management.
- c) Code of Conduct for Board and Senior Managerial Personnel

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

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

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

- d) The Company complies with the requirement of placing minimum information before the Board of Directors as contained in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- e) The CEO/CFO compliance certification under Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.
- f) The Company has a Risk Management Committee which monitors and reviews risk management plan on regular basis. The Board of Directors also periodically reviews and monitor the risk management plan of the Company.
- g) The Board on an annual basis evaluates the performance of Independent Directors. The Independent Directors have also given declarations that they fulfill the criteria of independence as specified in SEBI (LODR) Regulations, 2015 and that they are independent of the Company's management.

h) Risk Management Committee

The Risk Management Committee was re-constituted by the Board of Directors at its meeting held on 13<sup>th</sup> February, 2019 and now consists of the following members:

Mr. Saahil Parikh, Wholetime Director/CEO, Mr. Nilesh Jain, Wholetime Director and Mr. Sandeep Kadam, Manager Accounts/CFO.

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

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

There was one (1) meeting of the Risk Management Committee held during the financial year 2019-20. The date on which the said meeting was held is as follows:

6 <sup>th</sup> February, 2020
--------------------------------

The attendance of each member of the Risk Management Committee in the committee meeting is given below:

Name of the Director	No. of meeting held	No. of meeting attended
Mr. Saahil Parikh	1	1
Mr. Nilesh Jain	1	1
Mr. Sandeep Kadam (Manager Accounts / CFO)	1	1

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

l) Subsidiary Companies

The Company does not have any subsidiary company.

m) None of the Director of the Company is a director or act as independent director in more than seven listed entities and none of the Wholetime Director serve as an Independent Director in more than 3 listed entities.

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

The shareholders have approved the appointment of Ms. Dipti Shah as Independent director for a term of five years w.e.f 29<sup>th</sup> January, 2018. The shareholders have also approved the appointment of Mr. R. K. P. Verma and Mr. P. M. Kathariya as Independent Directors of the Company for a period of 5 years w.e.f 13<sup>th</sup> February, 2019. Terms and conditions of their appointment as Independent Directors have been disclosed on the website of the Company [www.makerslabs.com](http://www.makerslabs.com).

In accordance with requirements of Section 149(6) and (7) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, all the independent directors have given declaration of independence in the first board meeting of the current financial year held on 15<sup>th</sup> June, 2020.

n) Independent Directors Meeting

During the financial year under review, the Independent Directors met on 6<sup>th</sup> February, 2020 without the attendance of non-independent directors and members of the management, inter-alia, to discuss:

- i. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- ii. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors; and
- iii. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the said meeting.

o) The Company maintains a functional website ([www.makerslabs.com](http://www.makerslabs.com)) containing the basic information about the Company. The Company has disseminated all the required information on its website as required under Regulation 46 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

p) Information on Director retiring by rotation and seeking the re-appointment and whole-time Director being re-appointed.

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

Mr. Saahil Parikh aged 45 years has done his Bio-Chemistry from Gujarat University. He has also done his Diploma in Management Studies from Ahmedabad Management Association. He has about 21 years of experience in pharma production, quality control, projects and general management.

He holds 16842 equity shares of the Company.

He does not hold Directorship in any other Company.

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

Number of Board Meetings held and attended by him during his tenure as Director of the Company are given in the Corporate Governance Report of the respective financial year annexed with the



Company's Annual Reports which are available on the Company's website [www.makerslabs.com](http://www.makerslabs.com).

**Mr. Nilesh Jain (DIN 05263110)**

Mr. Nilesh Jain, aged 44 years is by qualification a Commerce Graduate (B. Com) and MMS (Masters in Management Studies) from Mumbai University.

He has nearly 24 years of experience in the field of Materials Management / Marketing Management, Business Development and General Management. He was initially working with the Company from December 2008 till May 2011 as Business Development Manager. He rejoined the Company in March 2017 as Sr. Manager – Materials. He was appointed as Whole-time Director of the Company with effect from 13<sup>th</sup> February, 2019.

He does not hold directorship in any other Company. He does not hold any equity shares in the Company.

He is not a member of any committee of Board of Directors since he does not hold Directorship in any other company.

He is not related to any other Director or Key Managerial Personnel (KMP) of the Company.

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

q) Reconciliation of Share Capital Audit:

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

r) Dividend Distribution Policy

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, the Company has formulated a Dividend Distribution Policy which has been uploaded on the website of the Company ([https://www.makerslabs.com/pdf/Corporate\\_Policy/Dividend\\_Distribution\\_Policy.pdf](https://www.makerslabs.com/pdf/Corporate_Policy/Dividend_Distribution_Policy.pdf)).

## Annexure A

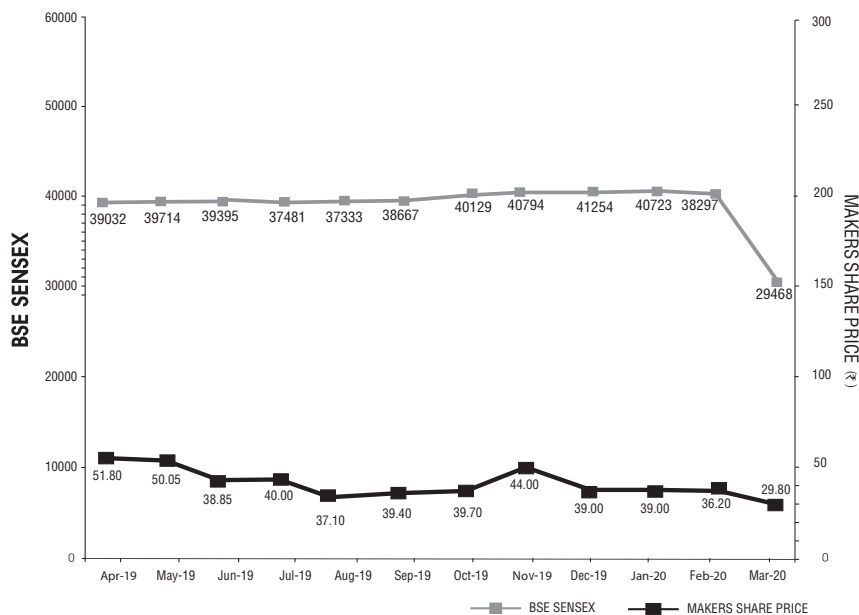
High/Low of Market price of the Company's shares traded on BSE Ltd. (BSE) during the financial year 2019-20 is furnished below:

Year	Month	Highest (₹)	Lowest (Rs)	
2019	April	62.00	51.40	
	May	57.80	44.00	
	June	54.00	32.05	
	July	47.60	33.00	
	August	45.00	32.30	
	September	44.45	36.00	
	October	47.25	34.30	
	November	48.80	35.60	
	December	46.40	36.50	
	2020	January	44.40	37.00
		February	41.15	33.30
		March	39.80	23.20

## Annexure B

Graph of Share Price/ BSE Sensex

BSE Sensex / Share Price



### Annexure C

The distribution of shareholding as on 31<sup>st</sup> March, 2020 is as follows :

No. of equity shares held			No. of shareholders %		No. of shares %	
Upto		500	3371	84.17	526855	10.72
501	to	1000	340	8.49	266468	5.42
1001	to	2000	165	4.12	246307	5.01
2001	to	3000	40	1.00	102857	2.09
3001	to	4000	13	0.32	46406	0.94
4001	to	5000	16	0.40	71773	1.46
5001	to	10000	27	0.68	170535	3.47
10001	&	above	33	0.82	3485779	70.89
Grand Total			4005	100.00	4916980	100.00
No. of shareholders in Physical Mode			809	20.20	147693	3.00
No. of shareholders in Electronic Mode			3196	79.80	4769287	97.00

Shareholding pattern as on 31<sup>st</sup> March, 2020 is as follows :

Category	No. of shareholders	No. of shares	% holding
Indian Promoters	12	2869947	58.37
Banks and Insurance Companies	1	100	0.00
FII's and Mutual Funds	0	0	0.00
NRI	56	37984	0.77
Domestic Companies	25	76686	1.56
Resident Individuals / Others	3911	1932263	39.30
Total	4005	4916980	100.00

**CEO CERTIFICATION**15<sup>th</sup> June , 2020

To,

All the Members of  
Makers Laboratories Ltd.

It is hereby certified and confirmed that as provided in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31<sup>st</sup> March, 2020.

For Makers Laboratories Limited  
Saahil Parikh  
Wholetime Director / CEO

**CEO/CFO CERTIFICATION**15<sup>th</sup> June, 2020

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

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2020 and that to the best of our knowledge and belief;
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transaction is entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Makers Laboratories Ltd.  
Saahil Parikh  
Wholetime Director / CEO

For Makers Laboratories Ltd.  
Sandeep Kadam  
Manager (Accounts) / Chief Financial Officer

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

TO THE MEMBERS OF

MAKERS LABORATORIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by Makers Laboratories Limited ('the Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities & Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

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

For Parikh & Associates  
Practising Company Secretaries

Jigyasa N. Ved  
Partner  
FCS: 6488 CP: 6018

Mumbai, June 15, 2020  
UDIN : F006488B000343165

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

a)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	No. of shares – 2400 No. of shareholders - 27
b)	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	0
c)	Number of shareholders to whom shares were transferred from suspense account during the year	0
d)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	No. of shares – 2400 No. of shareholders - 27
e)	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares

**ANNEXURE 2****Form No. AOC-2**

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

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto****1. Details of contracts or arrangements or transactions not at arm's length basis:**

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts / arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

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

- (a) Name(s) of the related party and nature of relationship: M/s. Ipca Laboratories Ltd., companies promoted by same promoters.
- (b) Nature of contracts/arrangements/transactions:
  - i. Purchase/ sale of materials, capital goods, plant & machineries, packing materials, etc. at a market determined price that would be generally agreed by the trade / industry for similar nature of transaction.
  - ii. Availing of/rendering of manufacturing and other services at a price that would be generally charged in the trade / industry for that particular type of service.
  - iii. Provision of common services at proportionate cost.
- (c) Duration of the contracts / arrangements/transactions: Continuous transactions on an ongoing basis.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Purchase/ sale of materials, capital goods, plant & machineries, packing materials, manufacturing on loan license basis, etc. on arm's length basis. Please see attached notes to Accounts for details.
- (e) Date(s) of approval by the Board, if any: 22<sup>nd</sup> May, 2019
- (f) Date of approval of shareholders: 8<sup>th</sup> August, 2019
- (g) Amount paid as advances, if any: None

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

For and on behalf of the Board

Mumbai,  
15<sup>th</sup> June, 2020

R. K. P. Verma  
Chairman

### ANNEXURE 3

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

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 is as under:

Sr. No.	Name of the Director / Key Managerial Personnel and Designation	Remuneration of Director / KMP for the financial year 2019-20 (₹)	% increase/ (decrease) in remuneration in the financial year 2019-20	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Saahil Parikh (Whole Time Director/CEO)	45,81,829	12%	17.73
2.	Mr. Nilesh Jain (Whole Time Director)	25,05,176	Not measurable as previous year remuneration was for part of the year	9.69
3.	Mr. R. K. P. Verma (Chairman)	1,60,000	Not measurable as previous year remuneration was for part of the year	0.62
4.	Mr. P. M. Kathariya (Director)	1,60,000	Not measurable as previous year remuneration was for part of the year	0.62
5.	Ms. Dipti Shah (Director)	1,45,000	93%	0.56
6.	Mr. Sandeep Kadam (Manager Accounts / CFO)	9,34,888	13%	3.62
7.	Ms. Khyati Danani (Company Secretary)	12,36,653	10%	4.79

- ii. The median remuneration of the employees of the Company during the financial year was ₹2,58,435/-.
- iii. In the financial year, there was an increase of 16.56% in the median remuneration of employees.
- iv. There were 135 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2020.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 7.10% whereas the increase in the managerial remuneration for the same financial year was 51.85%.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board

Mumbai,  
15<sup>th</sup> June, 2020

R. K. P. Verma  
Chairman

**ANNEXURE 4****1. CONSERVATION OF ENERGY**

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

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

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

Presently none.

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

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

**2. TECHNOLOGY ABSORPTION**

Research & Development

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

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

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

The benefits of R&D activities will come in future years.

- (C) Future Plan of Action :

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

- (D) Expenditure incurred on R&D:

	2019-20 (₹ lacs)	2018-19 (₹ lacs)
a) Capital	25.95	8.02
b) Revenue	17.83	23.85
c) Total	43.78	31.87
d) R & D expenditure as a percentage of turnover	0.85%	0.68%

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

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

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange Earnings – Nil.

Foreign Exchange Expenditure – ₹ 98.39 lacs (including ₹95.03 lacs being CIF value of capital goods import).

Mumbai  
15<sup>th</sup> June, 2020

For and on behalf of the Board  
R. K. P. Verma  
Chairman



## ANNEXURE 5

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

as on the financial year ended on 31<sup>st</sup> March, 2020  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

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

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

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

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

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

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	392895	--	392895	7.99	392895	--	392895	7.99	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt. (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	2477052	--	2477052	50.38	2477052	--	2477052	50.38	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (1):-</b>	2869947	--	2869947	58.37	2869947	--	2869947	58.37	--

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (2):-</b>	--	--	--	--	--	--	--	--	--
<b>Total shareholding of Promoter (A) = (A)(1) + A(2)</b>	2869947	--	2869947	58.37	2869947	--	2869947	58.37	--
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	100	--	100	0.00	100	--	100	0.00	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt. (s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1):-</b>	100	--	100	0.00	100	--	100	0.00	--
<b>(2) Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	76320	950	77270	1.57	75976	710	76686	1.56	(0.01)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1198819	143978	1342797	27.31	1160099	130033	1290132	26.24	(1.08)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	320010	41310	361320	7.35	416195	10650	426845	8.68	1.33
c) Others (specify)									
(c-i) Clearing Member	18851	--	18851	0.38	3855	--	3855	0.08	(0.30)
(c-ii) Market Maker	--	--	--	--	--	--	--	--	--
(c-iii) HUF	86150	--	86150	1.75	79551	--	79551	1.62	(0.13)
(c-iv) Foreign Holding									
NRI (Repatriate)	15352	6300	21652	0.44	19823	6300	26123	0.53	0.09
NRI (Non Repatriate)	7013	--	7013	0.14	11861	--	11861	0.24	0.10
(c-v) Unclaimed Shares Suspense A/c	2400	--	2400	0.05	2400	--	2400	0.05	--
(c-vi) IEPF Authority	129480	--	129480	2.63	129480	--	129480	2.63	--
<b>Sub-total (B)(2):-</b>	1854395	192538	2046933	41.63	1899240	147693	2046933	41.63	--
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	1854495	192538	2047033	41.63	1899340	147693	2047033	41.63	--
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	4724442	192538	4916980	100.00	4769287	147693	4916980	100.00	--

**ii) Shareholding of Promoters**

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

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

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year (01.04.2019)	2869947	58.37	--	--
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year (31.03.2020)	--	--	2869947	58.37

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

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

SI. No.	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Vara Lakshmi G					
	At the beginning of the year	01.04.2019	94419	1.92	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2020	--	--	94419	1.92

2.	Neelima Karlapudi					
	At the beginning of the year	01.04.2019	65510	1.33	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2020	--	--	65510	1.33
3.	Rambabu Veldi					
	At the beginning of the year	01.04.2019	52581	1.07	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2020	--	--	52581	1.07
4.	Zaki Abbas Nasser					
	At the beginning of the year	01.04.2019	30000	0.61	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	08.11.2019	10000	0.21	40000	0.82
		29.11.2019	5000	0.10	45000	0.92
	At the End of the year	31.03.2020	--	--	45000	0.92
5.	Mudra Financial Services Limited					
	At the beginning of the year	01.04.2019	31781	0.65	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2020	--	--	31781	0.65
6.	Sonal Deepak Shah					
	At the beginning of the year	01.04.2019	0	0	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	02.08.2019	25	0.00	25	0.00
		09.08.2019	3566	0.07	3591	0.07
		16.08.2019	6122	0.13	9713	0.20
		23.08.2019	3171	0.06	12884	0.26
		30.08.2019	571	0.01	13455	0.27
		06.09.2019	4012	0.09	17467	0.36
		13.09.2019	3718	0.08	21185	0.43
		18.10.2019	592	0.01	21777	0.44
		01.11.2019	1407	0.03	23184	0.47
		08.11.2019	2151	0.05	25335	0.52
		15.11.2019	1731	0.03	27066	0.55
		13.12.2019	3911	0.08	30977	0.63
	At the End of the year	31.03.2020	--	--	30977	0.63

7.	Sunil K Mehta					
	At the beginning of the year	01.04.2019	23500	0.48	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	14.02.2020	12	0.00	23512	0.48
	At the End of the year	31.03.2020	--	--	23512	0.48
8.	Saifuddin Fakhruddin Miyajiwala					
	At the beginning of the year	01.04.2019	13000	0.26	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	05.04.2019	1057	0.02	14057	0.28
		26.04.2019	1000	0.02	15057	0.30
		26.07.2019	1500	0.04	16557	0.34
		13.12.2019	3500	0.07	20057	0.41
	At the End of the year	31.03.2020	--	--	20057	0.41
9.	Suresh Bhoorchand Shah					
	At the beginning of the year	01.04.2019	19268	0.39		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	27.09.2019	(150)	(0.00)	19118	0.39
		29.11.2019	(795)	(0.02)	18323	0.37
	At the End of the year	31 .03. 2020	--	--	18323	0.37
10.	Puthanmadathil Usha Eswar					
	At the beginning of the year	01.04.2019	30000	0.61	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	19.07.2019	(705)	(0.01)	29295	0.60
		13.12.2019	(946)	(0.02)	28349	0.58
		20.12.2019	(1655)	(0.03)	26694	0.55
		27.12.2019	(6004)	(0.12)	20690	0.43
		31.12.2019	(2)	(0.00)	20688	0.43
		03.01.2020	(10688)	(0.22)	10000	0.21
		10.01.2020	(2210)	(0.04)	7790	0.17
		17.01.2020	(900)	(0.02)	6890	0.15
	24.01.2020	(6890)	(0.15)	0	0.00	
	At the End of the year	31.03.2020	--	--	--	--
11.	Rajasekhar Guttikonda					
	At the beginning of the year	01.04.2019	13252	0.27	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2020	--	--	13252	0.27

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

Sl. No.	For Each of the Directors and KMP	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Saahil Parikh Wholetime Director and CEO					
	At the beginning of the year	01.04.2019	16842	0.34	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2020	--	--	16842	0.34
2.	Mr. Nilesh Jain Wholetime Director					
	At the beginning of the year	01.04.2019	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2020	--	--	--	--
3.	Ms. Dipti Shah Independent Director					
	At the beginning of the year	01.04.2019	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2020	--	--	--	--
4.	Mr. R. K. P. Verma Independent Director					
	At the beginning of the year	01.04.2019	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2020	--	--	--	--
5.	Mr. P. M. Kathariya Independent Director					
	At the beginning of the year	01.04.2019	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2020	--	--	--	--

Sl. No.	For Each of the Directors and KMP	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	Mr. Sandeep Kadam Manager –Accounts/CFO					
	At the beginning of the year	01.04.2019	400	0.01	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2020	--	--	400	0.01
7.	Ms. Khyati Danani Company Secretary					
	At the beginning of the year	01.04.2019	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2020	--	--	--	--

#### V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (₹)
<b>Indebtedness at the beginning of the financial year (01.04.2019)</b>				
i) Principal Amount	63,842,845	--	--	63,842,845
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	63,842,845	--	--	63,842,845
<b>Change in Indebtedness during the financial year</b>				
• Addition	34,579,352	1,556,219	--	36,135,571
• Reduction	( 5,437,458)	--	--	(5,437,458)
<b>Net Change</b>	29,141,894	1,556,219		30,698,113
<b>Indebtedness at the end of the financial year (31.03.2020)</b>				
i) Principal Amount	91,863,493	1,500,000	-	93,363,493
ii) Interest due but not paid	1,121,246	56,219	-	1,177,465
iii) Interest accrued but not due	--	-	-	-
<b>Total (i+ii+iii)</b>	92,984,739	1,556,219	-	94,540,958

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹)
		Mr. Saahil Parikh WTD / CEO	Mr. Nilesh Jain WTD	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27,78,600	15,84,000	43,62,600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	18,03,229	921,176	27,24,405
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	45,81,829	25,05,176	70,87,005
	Ceiling as per the Act	₹ 9.58 lacs (being 10% of the profits of the Company calculated as per the Section 197 and 198 of the Companies Act, 2013). However, the remuneration paid is within the prescribed limits under Schedule V of the Companies Act, 2013 and SEBI (LODR) Regulations.		

### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
		Ms. Dipti Shah	Mr. R. K. P. Verma	Mr. P. M. Kathariya	
1.	Independent Directors				
	• Fee for attending board / committee meetings	145,000	160,000	160,000	465,000
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	145,000	160,000	160,000	4,65,000
2.	Other Non-Executive Directors				
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	145,000	160,000	160,000	4,65,000
	Total Managerial Remuneration				75,52,005
	Overall Ceiling as per the Act	11% of the net profit as per Section 197 and 198 of the Act – ₹ 10.54 lacs. However, the managerial remuneration paid is within the prescribed limits under Schedule V of the Companies Act, 2013 and SEBI (LODR) Regulations.			



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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total (₹)
		Mr. Sandeep Kadam (Manager – Accounts/CFO)	Ms. Khyati Danani (Company Secretary)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,34,888	12,36,653	21,71,541
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify.	-	-	-
5.	Others, please specify	-	-	-
	Total	9,34,888	12,36,653	21,71,541

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

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

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

Mumbai  
15<sup>th</sup> June, 2020

For and on behalf of the Board  
R.K.P. Verma  
Chairman

**FORM No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

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

To,

The Members,  
Makers Laboratories Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:
  - (1) Pharmacy Act, 1948,
  - (2) Drugs and Cosmetics Act, 1940,
  - (3) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954,
  - (4) Narcotic Drugs and Psychotropic Substances Act, 1985,
  - (5) Drug Pricing Control Order, 2013

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

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

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

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

For Parikh & Associates  
Company Secretaries

Place: Mumbai

Date : June 15, 2020

Jigyasa N. Ved  
Partner

FCS No: 6488 CP No: 6018  
UDIN : F006488B000343110

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

**'Annexure A'**

To,

The Members  
Makers Laboratories Limited

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

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

For Parikh & Associates  
Company Secretaries

Place: Mumbai

Date : June 15, 2020

Jigyasa N. Ved  
Partner  
FCS No: 6488 CP No: 6018  
UDIN : F006488B000343110

## **INDEPENDENT AUDITOR'S REPORT**

**To**

**The Members of  
Makers Laboratories Limited**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the Financial Statements of Makers Laboratories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of Significant Accounting Policies and other explanatory information. (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### **Key Audit Matters**

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

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

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

1. 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the attached Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - 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 the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**N Jayendran**  
Partner

M. No. – 40441

UDIN: 20040441AAAAAL8718

Mumbai,  
Dated: June 15, 2020

## **ANNEXURE A**

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

- (i) a. The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b. Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c. We have verified the title deeds of immovable properties forming part of Fixed Assets produced before us by the management and based on such verification we confirm that the same are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year. The discrepancies noticed between the book stock and the physical stocks were not material and they have been properly dealt with in the books of accounts.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013 and hence the sub clauses (a) and (b) of clause 3(iii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantees and security given.
- (v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.



- (vi) As informed to us, the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.
- (vii) a. The Company has been regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods & Services Tax and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable.
- b. According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Duty of Customs or Duty of Excise or Value Added Tax which have not been deposited on account of any dispute except as given below:

Name of statute	Nature of dues	Amount (Rs in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Order under section 143(3) r/w section 147	11.64	2009-10	CIT (Appeals)
Income Tax	Order under section 143(3) r/w section 147	57.46	2010-11	CIT (Appeals)
Income Tax	Order under section 143(3) r/w section 147	11.26	2011-12	CIT (Appeals)
Income Tax	Order under section 143(3) r/w section 147	11.17	2012-13	CIT (Appeals)
Income Tax	Order under section 143(3) r/w section 147	12.02	2013-14	CIT (Appeals)
Income Tax	Order under section 143(3) r/w section 147	21.64	2014-15	CIT (Appeals)
	<b>Total</b>	<b>125.19</b>		

- (viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to the financial institution or banks. Further, the company has not obtained any borrowings by way of debentures.
- (ix) The company has not raised any money by way of public issue / follow-on offer (including debt instruments). On the basis of the documents submitted to the bankers and the other records perused by us, we have to state that the term loan for purchase of fixed assets taken during the year have been applied for the purpose for which the loan was obtained.
- (x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company. Hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standard.

- (xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence the clause 3(xiv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause 3(xv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- (xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

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

**N Jayendran**  
Partner

Mumbai,  
Dated: June 15, 2020

M. No. – 40441  
UDIN: 20040441AAAAAL8718

## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls with reference to Financial Statements of Makers Laboratories Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Financial Statement of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal

financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements.**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**N Jayendran**  
Partner  
M. No. – 40441  
UDIN: 20040441AAAAAL8718

Mumbai,  
Dated: June 15, 2020

## Balance Sheet as at March 31, 2020

Particulars	Note	As at Mar 31, 2020 ₹ in lacs	As at Mar 31, 2019 ₹ in lacs
<b>ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant & Equipment	3	3,055.85	1,809.53
(b) Capital Work-in-Progress		68.68	642.12
(c) Right Of Use	30	225.89	-
(d) Other Intangible Assets	3A	6.92	0.26
(e) Financial Assets			
(i) Investments	4	1,503.65	1,116.48
(ii) Loans	5	32.42	35.13
(iii) Others	6	1.13	1.05
(f) Other Non-current Assets	7	116.10	118.01
		<b>5,010.64</b>	<b>3,722.58</b>
<b>(2) Current Assets</b>			
(a) Inventories	8	1,068.54	1,164.52
(b) Financial Assets			
(i) Investments	4	-	-
(ii) Trade receivables	9	755.33	501.75
(iii) Cash and Cash Equivalents	10	86.66	216.04
(iv) Bank Balances other than (iii) above	10A	9.54	9.27
(v) Loans	5	0.72	1.15
(vi) Others	6	110.86	44.67
(c) Current Tax Assets (Net)		-	-
(d) Other Current Assets	7	345.21	341.32
		<b>2,376.86</b>	<b>2,278.72</b>
<b>TOTAL ASSETS</b>		<b>7,387.50</b>	<b>6,001.30</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	11	491.70	491.70
(b) Other Equity	11A	3,970.23	3,678.45
<b>Total Equity</b>		<b>4,461.93</b>	<b>4,170.15</b>
<b>LIABILITIES</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	598.12	597.04
(ii) Other Financial Liabilities	13	-	-
(iii) Lease Liability	30	204.65	-
(b) Provisions	14	19.01	17.33
(c) Deferred Tax Liabilities (Net)	15	167.75	87.87
(d) Other Non-current Liabilities	16	-	-
		<b>989.53</b>	<b>702.24</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	253.02	1.59
(ii) Trade Payables	17		
- Due to Micro, Small and Medium enterprises		137.46	75.85
- Due to Others		633.65	317.19
(iii) Other Financial Liabilities	13	681.34	559.15
(iv) Lease Liability	30	31.20	-
(b) Other Current Liabilities	16	30.07	26.01
(c) Provisions	14	169.30	149.12
(d) Current Tax Liabilities (Net)		-	-
		<b>1,936.04</b>	<b>1,128.91</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,387.50</b>	<b>6,001.30</b>

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

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

**N. Jayendran**  
Partner  
M.No. 40441  
Mumbai June 15, 2020

For and on behalf of the Board of Directors

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

June 15, 2020

**Nilesh Jain**  
(DIN 05263110)  
Wholetime Director

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

**P M Kathariya**  
(DIN 00281395)  
Director

**Sandeep Kadam**  
CFO

## Statement of Profit and Loss for the year ended March 31, 2020

<u>Particulars</u>	<u>Note</u>	<u>2019-20</u> ₹ in lacs	<u>2018-19</u> ₹ in lacs
<b>I Revenue from Operations</b>	18	<b>5,139.66</b>	4,662.50
<b>II Other Income</b>	19	<b>22.55</b>	257.17
<b>III Total Income (I + II)</b>		<b>5,162.21</b>	4,919.67
<b>IV Expenses</b>			
Cost of Materials Consumed	20	<b>782.33</b>	1,283.34
Purchase of Stock in trade	21	<b>2,098.46</b>	1,588.38
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	<b>70.14</b>	8.09
Employee Benefit Expenses	23	<b>783.88</b>	701.29
Finance Cost	24	<b>70.31</b>	25.41
Depreciation & Amortisation	25	<b>198.75</b>	150.28
Other Expenses	26	<b>1,133.44</b>	861.26
<b>Total Expenses (IV)</b>		<b>5,137.31</b>	4,618.05
<b>V Profit Before exceptional items and Tax (III-IV)</b>		<b>24.90</b>	301.62
<b>VI Exceptional Items</b>		-	-
<b>VII Profit Before Tax (V+VI)</b>		<b>24.90</b>	301.62
<b>VIII Tax Expense</b>			
1. Current Tax	27	<b>3.82</b>	76.70
2. Short / Excess Provision of earlier years	27	-	-
3. Deferred Tax Liability / (Asset) incl. MAT Credit	27	<b>33.46</b>	(19.96)
<b>IX Profit for the period ( VII-VIII)</b>		<b>(12.38)</b>	244.88
<b>X Other Comprehensive Income</b>			
(a) Actuarial gain and loss		<b>(8.58)</b>	(0.73)
Tax Effect thereon	28	<b>1.34</b>	0.20
(b) Fair Value change through Other Comprehensive Income		<b>417.10</b>	322.34
Tax Effect thereon	28	<b>(46.42)</b>	(34.04)
<b>Other Comprehensive Income for the year, net of tax</b>		<b>363.44</b>	287.77
<b>Total Comprehensive Income for the year</b>		<b>351.06</b>	532.65
<b>XI Earnings per Equity Share :</b>			
Par Value ₹ 10 each			
Basic (in ₹)	29	<b>(0.25)</b>	4.98
Diluted (in ₹)	29	<b>(0.25)</b>	4.98

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

As per our report of even date attached

For **Natvarlal Vepari & Co.**

Chartered Accountants

Firm Registration No. 106971W

**N. Jayendran**

Partner

M.No. 40441

Mumbai June 15, 2020

For and on behalf of the Board of Directors

**Saahil Parikh**

(DIN 00400079)

Wholetime Director

June 15, 2020

**Nilesh Jain**

(DIN 05263110)

Wholetime Director

**Khyati Danani**

(ACS 21844)

Company Secretary

**P M Kathariya**

(DIN 00281395)

Director

**Sandeep Kadam**

CFO

## Cash Flow Statement for the year ended 31st March, 2020

Particulars	2019-20 ₹ in lacs	2018-19 ₹ in lacs
<b>A. Cash Flow from Operating Activities</b>		
1) <b>Net profit before taxation and extraordinary item</b>	<b>24.90</b>	301.62
<b>Adjustments for :</b>		
Depreciation	198.75	150.28
(Profit)/ Loss on sale of Property, Plant & Equipment	4.89	0.55
Property, plant & equipment scrapped	0.00	0.09
Bad debts w/off	2.93	13.13
Reversal of Provision for doubtful debts	(0.36)	(11.61)
Loss on financial assets measured at FVTPL	29.94	23.35
Interest income	(2.32)	(29.00)
Profit on Sale of Mutual Funds	(4.46)	0.00
Dividend income	(9.09)	(20.60)
Interest expense	70.31	25.41
	<b>290.59</b>	151.60
2) <b>Operating profit before working capital changes</b>	<b>315.49</b>	453.22
(Increase) / Decrease in Receivables & Advances	(320.98)	383.41
Decrease / (Increase) in inventories	95.98	170.04
Increase / (decrease) in liabilities & provisions	336.02	(379.13)
	<b>111.02</b>	174.32
3) <b>Cash generated from operation</b>	<b>426.51</b>	627.54
Income tax paid (net)	(3.82)	(88.79)
Net cash from operating activities	<b>422.69</b>	538.75
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment including capital WIP	(858.96)	(892.47)
Proceeds from Sale of Plant, Property and Equipment	0.81	3.37
Investments in Mutual Funds	(1,400.00)	-
Redemption in Mutual funds	1,404.46	-
Movement in other bank balances	(0.27)	(1.93)
Term deposit	-	10.26
Interest received	2.01	29.43
Dividend received	9.09	20.60
Net cash from / (used) in investing activities	<b>(842.86)</b>	(830.74)
<b>C. Cash Flow from Financing Activities</b>		
Interest paid	(40.07)	(20.59)
Proceeds from short term borrowing (Net)	101.43	(127.34)
Proceeds from Non-Current borrowing	233.15	597.04
Repayment from Non-Current borrowing	(54.37)	-
Intercorporate deposit received	150.00	-
Payment of lease Liability		
- Interest	(25.29)	-
- Principal	(15.05)	-
Dividend & dividend tax paid	(59.01)	(57.35)
Net cash from (used in) financing activities	<b>290.79</b>	391.76
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(129.38)</b>	99.77
Cash and cash equivalents at beginning of year	<b>216.04</b>	116.27
Cash and cash equivalents at end of year	<b>86.66</b>	216.04
<b>Components of Cash &amp; Cash equivalents :</b>		
Cash and cheques on hand	85.92	15.61
Balance with banks	0.74	0.43
Fixed Deposit	-	200.00
	<b>86.66</b>	216.04

Refer note no. 12.(e) for reconciliation of liabilities from financing activities

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

**N. Jayendran**  
Partner  
M.No. 40441  
Mumbai June 15, 2020

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

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

June 15, 2020

**Nilesh Jain**  
(DIN 05263110)  
Wholetime Director

**Khyati Danani**  
(ACS 21844)  
Compan y Secretary

**P M Kathariya**  
(DIN 00281395)  
Director

**Sandeep Kadam**  
CFO

## 1. Statement of Changes in Equity for the Year ended March 31, 2020

### Equity Share Capital

	No. of shares	₹ in Lacs
Equity share capital of face value (₹) 10.00 each		
Balance as at March 31, 2018	4,916,980	491.70
Changes in equity share capital during the year	-	-
Balance as at March 31, 2019	4,916,980	491.70
Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2020</b>	<b>4,916,980</b>	<b>491.70</b>

### Other Equity

Particulars	Reserves and Surplus			Other Equity		Other comprehensive income	Not Reclassified to P&L	Fair Value of Investment through OCI	Total
	Capital reserve	Securities premium	General Reserve	Retained earnings	Other comprehensive income				
Balance as on March 31, 2018	302.76	108.64	1,200.00	1,071.43	507.66	-	-	3,190.49	
Profit for the period	-	-	-	244.88	-	-	-	244.88	
Gain/ (Loss) on Fair Value of Investment through OCI (Net of tax thereon)	-	-	-	-	288.30	-	-	288.30	
Actuarial gain/(loss) on gratuity (Net of tax thereon)	-	-	-	(0.53)	-	-	-	(0.53)	
Cumulative catch-up impact of IndAS 115	-	-	-	14.59	-	-	-	14.59	
Dividend	-	-	-	(49.17)	-	-	-	(49.17)	
Tax on dividend	-	-	-	(10.11)	-	-	-	(10.11)	
Balance as on March 31, 2019	302.76	108.64	1,200.00	1,271.09	795.96	-	-	3,678.45	
Profit for the period	-	-	-	(12.38)	-	-	-	(12.38)	
Gain/ (Loss) on Fair Value of Investment through OCI (Net of tax thereon)	-	-	-	-	370.68	-	-	370.68	
Actuarial gain/(loss) on gratuity (Net of tax thereon)	-	-	-	(7.24)	-	-	-	(7.24)	
Dividend	-	-	-	(49.17)	-	-	-	(49.17)	
Tax on dividend	-	-	-	(10.11)	-	-	-	(10.11)	
<b>Balance as on March 31, 2020</b>	<b>302.76</b>	<b>108.64</b>	<b>1,200.00</b>	<b>1,192.19</b>	<b>1,166.64</b>	<b>-</b>	<b>-</b>	<b>3,970.23</b>	

As per our report of even date attached

For **Natarial Vepari & Co.**

Chartered Accountants

Firm Registration No. 106971W

**N. Jayendran**

Partner

M.No. 40441

Mumbai June 15, 2020

For and on behalf of the Board of Directors

**Saahil Parikh**

(DIN 00400079)

Wholetime Director

**Nilesh Jain**

(DIN 05263110)

Wholetime Director

**P M Kathariya**

(DIN 00281395)

Director

**Khyati Danani**

(ACS 21844)

Company Secretary

**Sandeep Kadam**

CFO

June 15, 2020

## **2. Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2020.**

### **1. Corporate Information:**

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

The financial statements of the company for the year ended March 31, 2020 were authorised for issue in accordance with the resolution passed at the meeting of the Board of Directors held on June 15, 2020.

### **2. Significant Accounting Policies:**

#### **i. Basis of Preparation**

##### **Statement of Compliance**

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

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

- a. certain financial assets and liabilities (including derivative instruments) are measured at fair value; and
- b. defined benefit plans - plan assets measured at fair value

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

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

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

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

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



**a. Taxes**

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

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

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These interalia include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**c. Useful lives of Property, Plant and Equipment**

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

**d. Impairment of Property, Plant and Equipment**

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

**e. Inventories**

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

**f. Recognition and measurement of other Provisions**

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

**iii. Current and non-current classification**

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

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

**An asset is current when :**

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

All other assets are classified as non-current.

**A liability is current when :**

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

The Company classifies all other liabilities as non-current.

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

**iv. Property, Plant and Equipment**

- a) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Cost of acquisition comprises its purchase price including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discount and rebates are deducted in arriving at the purchase price.
- b) Stores and spares which meet the definition of Property, Plant and Equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as Property, Plant and Equipment.
- c) Capital Work In Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. Project expenses pending allocation are apportioned to the Property, Plant and Equipment of the project proportionately on capitalisation.
- d) Cost of borrowing for assets taking substantial time to be ready for use is capitalised for the period up to the time the asset is ready for its intended use.
- e) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- f) The residual useful life of Property, Plant & Equipment is reviewed at each balance sheet date and adjusted if required in the depreciation rates.
- g) Depreciation methods, estimated useful lives and residual value

Depreciation on all assets of the Company is charged on straight line method, except the assets at the Ahmedabad manufacturing location which is charged on the written down value

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

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

<b>Assets</b>	<b>Estimated useful life (Years)</b>
Leasehold Land	Period of Lease
Plant & Equipment	6 to 20 Years
Eff. Treatment Plant	18 to 20 Years
Vehicle	10 Years
Building	28 to 58 Years
Furniture & Fixtures	15 Years

#### **v. Intangible assets**

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

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

Brands & Trademarks	4 Years
Software for internal use	4 Years

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

#### **vi. Revenue recognition**

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

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

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

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

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

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

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

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

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

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

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

- b. In case of export benefits which are in the nature of neutralisation of duties and taxes are grouped under material costs. All other export incentives are grouped under other operating revenue.
- c. Revenue in respect of insurance/other claims, commission, etc. are recognised only when it is reasonably certain that the ultimate collection will be made.
- d. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

**vii. Borrowings**

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

**viii. Impairment of assets**

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market

transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

**ix. Leases**

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

- (i) recognise lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.
- (ii) recognise a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying Ind AS 17. The lessee shall choose, on a lease-by-lease basis, to measure that right-of-use asset at either ;
  - its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application; or
  - an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

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

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

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

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

**x. Inventories**

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

Raw Materials and Packing Materials	Lower of cost and net realisable value. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on First In First Out basis.
Work-in-process and Finished Goods	At lower of cost (material cost net of refundable taxes, labour cost and all manufacturing overheads) and net realisable value.
Stores and Spares	Stores and spare parts are valued at lower of cost computed on First-in-First- out method and net realisable value.
Traded Goods	Traded Goods are valued at lower of cost and net realisable value.

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

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

**xi. Cash and cash equivalents**

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

**xii. Provisions, contingent liabilities and contingent assets**

**Provision**

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

**Contingent liabilities**

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

**Contingent assets**

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

**xiii. Retirement and other employee benefits**

**Provident fund**

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

**Gratuity**

Gratuity, a post-employment defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected unit credit method.

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

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

**Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using Projected Unit Credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**Short-term employee benefits**

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

**xiv. Foreign currencies****Transactions and balances:**

- i. The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.
- ii. Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction where the settlement of such transactions are taking place at a later date. The exchange gain/loss on settlement / negotiation during the year is recognised in the statement of profit and loss. In case of advance payment for purchase of assets/ goods/services and advance receipt against sales of products/services, all such purchase/sales transaction are recorded at the rate at which such advances are paid/ received.
- iii. Foreign currency monetary transactions remaining unsettled at the end of the year are converted at year-end rates. The resultant gain or loss is accounted for in the statement of profit and loss.
- iv. Non-monetary items that are measured at historical cost denominated in foreign currency are translated using exchange rate at the date of transaction.

**xv. Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

## **xvi. Financial instruments**

### **a. Financial assets & financial liabilities**

#### **Initial recognition and measurement**

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

In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset is treated as cost of acquisition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### **Subsequent measurement**

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

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

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

#### **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 7 details how the entity determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



**De-recognition of financial instruments**

A financial asset is de-recognised only when

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

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

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

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

**b. Derivative financial instruments and hedge accounting****Initial recognition and subsequent measurement**

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

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

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

**xvii. Cash flow statement**

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

**xviii. Goods and service tax input credit**

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

**xix. Taxes**

Tax expenses comprise Current Tax and Deferred Tax :

**a. Current tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to

unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**b. Deferred tax**

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

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

**c. MAT credit**

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

**xx. Earnings per share**

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

### Notes to financial statements as at and for the year ended March 31, 2020

#### 3. Property, Plant & Equipment

Particulars	₹ in Lacs							Total	
	Freehold Land	Building	Plant & Equipment	Office & Other Equipment	Eff. Treatment Plant	Furniture & Fixtures	Vehicles		R & D Plant & Equipment
<b>Gross Block</b>									
As on 31/03/2018	210.23	964.16	597.87	5.92	2.83	35.77	34.67	57.84	1,909.29
Additions	-	230.14	62.84	0.71	-	0.15	-	8.02	301.86
Disposals / Adjustments	-	-	(0.86)	(0.23)	-	-	(6.12)	-	(7.21)
As on 31/03/2019	210.23	1,194.30	659.85	6.40	2.83	35.92	28.55	65.86	2,203.94
Additions	-	240.85	1,108.88	8.08	9.15	32.49	-	25.95	1,425.40
Disposals / Adjustments	-	(0.26)	(8.67)	(0.13)	-	-	-	-	(9.06)
<b>As on 31/03/2020</b>	<b>210.23</b>	<b>1,434.89</b>	<b>1,760.06</b>	<b>14.35</b>	<b>11.98</b>	<b>68.41</b>	<b>28.55</b>	<b>91.81</b>	<b>3,620.28</b>
<b>Accumulated Depreciation</b>									
As on 31/03/2018	-	52.59	160.39	2.97	0.93	13.92	6.75	10.62	248.17
For the year 2018-19	-	33.98	87.69	1.12	0.34	7.31	5.96	13.68	150.08
Disposals / Adjustments	-	-	(0.59)	(0.16)	-	-	(3.09)	-	(3.84)
As on 31/03/2019	-	86.57	247.49	3.93	1.27	21.23	9.62	24.30	394.41
For the year 2019-20	-	58.68	87.89	1.47	0.35	7.91	4.04	12.79	173.13
Disposals / Adjustments	-	-	(3.03)	(0.08)	-	-	-	-	(3.11)
<b>As on 31/03/2020</b>	<b>-</b>	<b>145.25</b>	<b>332.35</b>	<b>5.32</b>	<b>1.62</b>	<b>29.14</b>	<b>13.66</b>	<b>37.09</b>	<b>564.43</b>
Net Block as on 31/03/2019	210.23	1,107.73	412.36	2.47	1.56	14.69	18.93	41.56	1,809.53
<b>Net Block as on 31/03/2020</b>	<b>210.23</b>	<b>1,289.64</b>	<b>1,427.71</b>	<b>9.03</b>	<b>10.36</b>	<b>39.27</b>	<b>14.89</b>	<b>54.72</b>	<b>3,055.85</b>

### 3A. Other Intangible Assets

Particulars	₹ in Lacs		
	Computer Software	Brand / Trade Mark	Total
<b>Gross Block</b>			
As on 01/04/2018	4.75	0.13	4.88
Additions	-	-	-
Disposals / Adjustments	-	-	-
As on 31/03/2019	4.75	0.13	4.88
Additions	7.27	-	7.27
Disposals / Adjustments	-	-	-
<b>As on 31/03/2020</b>	<b>12.02</b>	<b>0.13</b>	<b>12.15</b>
<b>Accumulated Amortisation</b>			
As on 01/04/2018	4.30	0.13	4.43
For the year 2018-19	0.19	-	0.19
Disposals / Adjustments	-	-	-
As on 31/03/2019	4.49	0.13	4.62
For the year 2019-20	0.61	-	0.61
Disposals / Adjustments	-	-	-
<b>As on 31/03/2020</b>	<b>5.10</b>	<b>0.13</b>	<b>5.23</b>
Net Block as on 31/03/2019	0.26	-	0.26
<b>Net Block as on 31/03/2020</b>	<b>6.92</b>	<b>-</b>	<b>6.92</b>

#### 4 Financial Assets - Investments

##### A Summary of Non Current Investments

	₹ in Lacs	
	As at 31/03/2020	As at 31/03/2019
Investment in Equity Instruments measured at Fair value through OCI	1,487.48	1,070.37
Investment in Equity Instruments measured at Fair value through PL	16.17	46.11
<b>Total</b>	<b>1,503.65</b>	<b>1,116.48</b>

B Details of Non-current Investments	Face Value per Equity Instrument (₹)	Number Of Equity Instruments		₹ in Lacs	
		31/03/2020	31/03/2019	31/03/2020	31/03/2019
<b>Investments measured at fair value through OCI (fully paid)</b>					
<b>Unquoted equity shares</b>					
1 Mexin Medicaments. Pvt Ltd	100	11,990	11,990	74.62	73.99
2 Ellora Organics Pvt Ltd	100	1,610	1,610	-	-
<b>Quoted equity shares</b>					
3 Ipca Laboratories Ltd	2	101,480	101,480	1,412.86	996.38
<b>Investments measured at fair value through P&amp;L (fully paid)</b>					
<b>Quoted equity shares</b>					
1 Vedanta Ltd	10	25,000	25,000	16.17	46.11
<b>Total</b>				<b>1,503.65</b>	<b>1,116.48</b>

##### C Aggregate value of investments

Particulars	₹ in Lacs	
	31/03/2020	31/03/2019
Aggregate amount of quoted investments	1,429.03	1,042.49
Aggregate market value of quoted investments	1,429.03	1,042.49
Aggregate amount of unquoted investments	74.62	73.99

**5 Financial Assets - Loans**
**Particulars**

	As at March 31, 2020		As at March 31, 2019	
	₹ in Lacs		₹ in Lacs	
	Non Current	Current	Non Current	Current
<b>(Unsecured, considered good)</b>				
Deposits	32.40	0.18	34.53	-
Loans given to Employees	0.02	0.54	0.59	1.15
<b>Total</b>	<b>32.42</b>	<b>0.72</b>	<b>35.12</b>	<b>1.15</b>

**6 Financial Assets - Others**
**Particulars**

	As at March 31, 2020		As at March 31, 2019	
	₹ in Lacs		₹ in Lacs	
	Non Current	Current	Non Current	Current
<b>(Unsecured, considered good)</b>				
Advances to Employees	-	1.39	-	0.80
Gratuity reimbursements and other claims receivable	-	2.88	-	11.56
Interest Receivable	-	0.47	-	0.16
Term Deposits with banks kept as margin money	1.13	-	1.05	-
Contract Asset - Unbilled Revenue	-	43.24	-	32.15
Other Receivable	-	62.88	-	-
<b>Total</b>	<b>1.13</b>	<b>110.86</b>	<b>1.05</b>	<b>44.67</b>

**7 Other Non-Financial Assets**
**Particulars**

	As at March 31, 2020		As at March 31, 2019	
	₹ in Lacs		₹ in Lacs	
	Non Current	Current	Non Current	Current
<b>(Unsecured, considered good)</b>				
Capital Advances	7.01	-	44.48	-
Prepaid Expenses	0.80	7.40	0.64	6.82
Duties & Taxes Refundable	1.72	291.45	9.65	300.66
Deposits with Govt. Departments	35.00	-	34.48	-
Advance to suppliers	-	41.69	-	29.09
Advances to Employees	-	4.67	-	4.75
Prepaid Taxes (Net of provisions)	71.57	-	28.76	-
<b>Total</b>	<b>116.10</b>	<b>345.21</b>	<b>118.01</b>	<b>341.32</b>

**8 Inventories**

<u>Particulars</u>	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
Raw Materials and components		<b>150.03</b>		188.29
Packing Materials and components		<b>59.63</b>		47.97
Work-in-progress		<b>42.51</b>		68.39
Finished goods:				
Manufactured		<b>149.05</b>	144.32	
Traded		<b>655.93</b>	704.93	849.25
Consumable Stores and Spares		<b>11.39</b>		10.62
<b>Total</b>		<b><u>1,068.54</u></b>		<b><u>1,164.52</u></b>

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

<u>Particulars</u>	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
Amount of inventories recognised as an expense		<b>3,008.80</b>		2,927.81
Amount of write - down of inventories recognised as an expense		-		-
<b>Total</b>		<b><u>3,008.80</u></b>		<b><u>2,927.81</u></b>

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

<u>Particulars</u>	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>	<u>Current</u>
Trade Receivable	<b>757.11</b>		503.88	
Less: Expected Credit Loss	<b>(1.78)</b>	<b>755.33</b>	(2.13)	501.75
<b>Total</b>		<b><u>755.33</u></b>		<b><u>501.75</u></b>

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

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

**Movement in the expected credit loss allowance**

<u>Particulars</u>	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
Balance at the beginning of the period		<b>2.13</b>		13.75
Adjustment during the year		<b>(0.35)</b>		(11.62)
Provision at the end of the period		<b><u>1.78</u></b>		<u>2.13</u>

**10 Financial Assets - Cash & Cash Equivalents**

<u>Particulars</u>	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
Balances with banks		<b>85.92</b>		15.61
Cash on hand		<b>0.74</b>		0.43
Fixed deposit with Bank		-		200.00
<b>Total</b>		<b>86.66</b>		<b>216.04</b>

**10A Financial Assets - Bank Balances other than (10) above**

<u>Particulars</u>	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
Unpaid dividend accounts		<b>9.54</b>		9.27
<b>Total</b>		<b>9.54</b>		<b>9.27</b>

**11 Equity Share Capital**

<u>Particulars</u>	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
Face Value per share (₹)		<b>10</b>		10
Class of Shares		<b>Equity Shares</b>		Equity Shares
<b>Authorised Capital</b>	<b>75,00,000</b>	<b>750.00</b>	75,00,000	750.00
<b>Issued, Subscribed and Paid up Capital</b>				
Issued & Subscribed	<b>49,16,980</b>	<b>491.70</b>	49,16,980	491.70
Paid up	<b>49,16,980</b>	<b>491.70</b>	49,16,980	491.70
<b>Total</b>		<b>491.70</b>		<b>491.70</b>

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

<u>Particulars</u>	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	<u>Numbers</u>	<u>₹ in Lacs</u>	<u>Numbers</u>	<u>₹ in Lacs</u>
Shares outstanding at the beginning of the year	<b>49,16,980</b>	<b>491.70</b>	49,16,980	491.70
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>49,16,980</b>	<b>491.70</b>	49,16,980	491.70

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

<u>Name of Shareholder</u>	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	<u>Number of shares held</u>	<u>%</u>	<u>Number of shares held</u>	<u>%</u>
Kaygee Laboratories Private Limited (Formerly Exon Laboratories Private Limited)	<b>6,50,000</b>	<b>13.22%</b>	6,50,000	13.22%
Kaygee Investments Private Limited	<b>8,54,400</b>	<b>17.38%</b>	8,54,400	17.38%
Paschim Chemicals Private Limited	<b>7,66,672</b>	<b>15.59%</b>	7,66,672	15.59%

**iii) Rights and obligations of shareholders**

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

## 11A Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ in Lacs	₹ in Lacs
Capital Reserve	302.76	302.76
Securities Premium	108.64	108.64
General Reserve	1,200.00	1,200.00
Retained Earnings	1,192.19	1,271.09
Other Comprehensive Reserve		
- Remeasurement of Investment through FVOCI	1,166.64	795.96
<b>Total</b>	<b>3,970.23</b>	<b>3,678.45</b>

**a) Security Premium Reserve:**

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

**b) General Reserve :**

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

## 12 Financial Liabilities - Borrowings

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹ in Lacs		₹ in Lacs	
	Non Current	Current	Non Current	Current
Term Loan - Yes bank	598.12	217.50	597.04	39.80
Less : Reclassified to Current Maturities	-	(217.50)	-	(39.80)
Working Capital Loan from Yes bank	-	103.02	-	1.59
Intercompany Deposit	-	150.00	-	-
<b>Total</b>	<b>598.12</b>	<b>253.02</b>	<b>597.04</b>	<b>1.59</b>
Secured Borrowing	598.12	217.50	597.04	39.80
Unsecured Borrowing	-	253.02	-	1.59

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

**b) Details of Term Loan**

Name of the Instruments/ Institutions	As at March 31, 2020		As at March 31, 2019	
	₹ in Lacs		₹ in Lacs	
Term Loan From Yes Bank	598.12	217.50	597.04	39.80
	598.12	217.50	597.04	39.80

The term loan is for a period of 60 months.

The term loan is repayable in 16 quarterly installments beginning from February 29, 2020.

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

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



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

<u>Particulars</u>	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Installment payable between 0 to 1 years	217.50	39.80
Installment payable between 1 to 2 years	435.00	159.21
Installment payable between 2 to 5 years	163.12	437.83
Installment payable beyond 5 years	-	-
<b>Total</b>	<b>815.62</b>	<b>636.84</b>

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

<u>Particulars</u>	<u>Non-Current Borrowings</u>	<u>Current Maturities</u>	<u>Current Borrowings</u>
Opening Balances	597.04	39.80	1.59
Changes from Financing Cash Flows	218.58	(39.80)	251.43
Effect of changes in foreign currency	-	-	-
Transfer to Current Maturities	(217.50)	217.50	-
<b>Closing Balances</b>	<b>598.12</b>	<b>217.50</b>	<b>253.02</b>

f) **Intercompany deposit is for short term, repayable before March 31, 2021. The said ICD carries Interest @ 9.50% pa**

13 **Other Financial Liabilities**

<u>Particulars</u>	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>	<u>Current</u>
Current Maturities of long term borrowings	-	217.50	-	39.80
Security Deposits	-	417.29	-	417.10
Unpaid dividends	-	9.54	-	9.27
Payable for Capital Goods	-	27.24	-	88.16
Interest accrued on Term loan	-	9.77	-	4.82
<b>Total</b>	<b>-</b>	<b>681.34</b>	<b>-</b>	<b>559.15</b>

14 **Provisions**

<u>Particulars</u>	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>	<u>Current</u>
Provision for breakage/damage	-	0.01	-	0.01
Provision for product expiry	-	0.01	-	0.06
Provision for sales return	-	91.39	-	72.11
Provision for trade discount	-	0.29	-	7.99
Provision for Gratuity	-	32.87	-	22.27
Provision for leave encashment	19.01	11.21	17.33	10.70
Provision for leave travel assistance (LTA)	-	10.06	-	7.22
Provision for Tax ( Net of prepaid)	-	23.46	-	28.76
<b>Total</b>	<b>19.01</b>	<b>169.30</b>	<b>17.33</b>	<b>149.12</b>

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

Particulars	₹ in Lacs	
	March 31, 2020	March 31, 2019
<b>(i) Provision for breakage/damage</b>		
Balance at the beginning of the period	0.01	0.07
Provisions/ Reversal during the year.	-	(0.06)
Utilisations during the period	-	-
<b>Provision at the end of the period</b>	<b>0.01</b>	<b>0.01</b>
<b>(ii) Provision for product expiry</b>		
Balance at the beginning of the period	0.06	0.22
Provisions/ Reversal during the year.	(0.05)	(0.16)
Utilisations during the period	-	-
<b>Provision at the end of the period</b>	<b>0.01</b>	<b>0.06</b>
<b>(iii) Provision for sales return</b>		
Balance at the beginning of the period	72.11	61.28
Provisions/ Reversal during the year.	19.28	10.83
Utilisations during the period	-	-
<b>Provision at the end of the period</b>	<b>91.39</b>	<b>72.11</b>

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

**Gratuity**

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

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

Particulars	₹ in Lacs	
	As at Mar 31, 2020	As at Mar 31, 2019
<b>Expense recognised in Statement of Profit &amp; Loss</b>		
Current Service cost	5.86	5.92
Interest expense	4.92	4.84
Expected Return on Plan Assets	(4.23)	(3.78)
Benefit paid but pending claim	-	-
Past Service cost	-	-
<b>Total</b>	<b>6.55</b>	<b>6.98</b>
<b>Expense recognised in Other Comprehensive Income</b>		
Return on plan assets (Greater)/Less than Discount Rate	0.28	1.14
Actuarial (Gain)/Loss due to Experience on DBO	(8.85)	(1.87)
<b>Total</b>	<b>(8.57)</b>	<b>(0.73)</b>

<b>Particulars</b>	<b>₹ in Lacs</b>	
	<b>As at Mar 31, 2020</b>	<b>As at Mar 31, 2019</b>
Present value of funded defined benefit obligation	<b>87.13</b>	84.02
Fair value of Plan assets	<b>(54.26)</b>	(61.75)
Funded Status	<b>32.87</b>	22.27
<b>Net defined benefit (Asset) / Liability</b>	<b>32.87</b>	22.27
<b>Movements in present value of defined benefit obligation</b>		
Present value of defined benefit obligation at the beginning of the year	<b>84.02</b>	71.39
Current Service Cost	<b>5.86</b>	5.92
Interest Cost	<b>4.92</b>	4.84
Actuarial (Gain)/Loss	<b>8.85</b>	1.87
Benefits paid	<b>(16.53)</b>	-
Past Service Cost	-	-
Present value of defined benefit obligation at the end of the year	<b>87.12</b>	84.02
<b>Movements in fair value of the plan assets are as follows.</b>		
Opening fair value of plan assets	<b>61.75</b>	48.96
Adjustment to opening fair value	-	10.41
Expected returns on Plan Assets	<b>4.23</b>	3.78
<b>Remeasurement (Gains)/Losses:</b>	-	-
Actuarial (Gain)/Loss on Plan assets	<b>0.28</b>	1.14
Contribution from Employer	<b>4.54</b>	7.97
Benefits paid	-	(10.50)
Fund Charges	-	-
Benefit paid but pending claim	<b>(16.53)</b>	-
<b>Closing fair value of the plan asset</b>	<b>54.27</b>	61.76
<b>Remeasurement effect recognised on Other Comprehensive Income</b>		
Actuarial (Gain)/Loss arising from experience adjustments	<b>8.85</b>	1.87
Actuarial (Gain)/Loss on Plan assets	<b>(0.28)</b>	(1.14)
<b>Total Actuarial (Gain)/Loss included in OCI</b>	<b>8.57</b>	0.73
<b>The principal assumptions used as at the balance sheet date are used for purpose of actuarial valuations were as follow:</b>		
<b>Financial Assumptions</b>		
Discount Rate	<b>5.89%</b>	6.85%
Salary Increase Rate	<b>6.00%</b>	6.00%
<b>Demographic Assumptions</b>		
Mortality Rate	<b>IALM (2012-14) Ultimate</b>	IALM (2006-08) Ultimate
Withdrawal Rate	<b>25%</b>	25%
Retirement age	<b>58 Years</b>	58 Years

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

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

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

**Defined Benefit Obligation**

**Discount rate**

a. Discount rate - 50 basis points	<b>88.36</b>	85.19
b. Discount rate + 50 basis points	<b>85.93</b>	82.89

**Salary increase rate**

a. Rate - 50 basis points	<b>85.93</b>	82.88
b. Rate + 50 basis points	<b>88.36</b>	85.20

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

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

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

**Risk Characteristics of the Defined Benefit Plan**

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

- (i) **Investment Risk** – For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
- (ii) **Market Risk (Discount Rate)** – Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
- (iii) **Longevity Risk** : The impact of longevity risk will depend on whether the benefits are paid before retirement age or after . Typically for the benefits paid on or before the retirement age , the longevity risk is not very material.
- (iv) **Actuarial Risk**

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

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

**15 Deferred Tax Liabilities (Net)**

<u>Particulars</u>	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
(a) Deferred tax liabilities on account of Depreciation including on R & D Assets, Amortisation and impairment	<b>89.39</b>		55.43	
Fair Value Change of Investment through OCI	<b>87.22</b>	<b>176.61</b>	40.80	96.23
(b) Deferred tax asset on account of Leave Encashment	<b>(7.60)</b>		(7.80)	
Other tax disallowance	<b>(1.26)</b>	<b>(8.86)</b>	(0.56)	(8.36)
<b>Net deferred tax liability</b>		<b>167.75</b>		<b>87.87</b>

**16 Other Non-financial Liabilities**

<u>Particulars</u>	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>	<u>Current</u>
Advance from Customers	-	<b>5.94</b>	-	4.50
Duties & Taxes Payable	-	<b>18.48</b>	-	17.22
Other Payables	-	<b>5.65</b>	-	4.29
<b>Total</b>	-	<b>30.07</b>	-	<b>26.01</b>

**17 Financial Liabilities - Trade Payables**

<u>Particulars</u>	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
Trade Payables for goods and services:				
- Total outstanding dues of Micro and small enterprise		<b>137.46</b>		75.85
- Others		<b>633.65</b>		317.19
<b>Total</b>		<b>771.11</b>		<b>393.04</b>

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

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

<u>Particulars</u>	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
Principal amount due		<b>137.46</b>		75.85
Interest due on above		<b>0.64</b>		0.12
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006				
- Principal amount paid beyond appointed day		<b>167.00</b>		12.85
- Interest paid thereon		-		-
Amount of interest due and payable for the period of delay		<b>1.21</b>		0.09
Amount of interest accrued and remaining unpaid as at year end		<b>1.85</b>		0.21
Amount of further interest remaining due and payable in the succeeding year		-		-

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

**18 Revenue from Operations**

<u>Particulars</u>	<u>2019-20</u>	<u>2018-19</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
<b>Sale of Products</b>	<b>4,303.57</b>	3,882.17
<b>Sale of services</b>	<b>831.33</b>	774.85
<b>Other operating revenues</b>		
Sundry Creditors Balances written back	<b>3.08</b>	4.07
Miscellaneous income	<b>1.68</b>	1.41
<b>Total</b>	<b><u>5,139.66</u></b>	<b><u>4,662.50</u></b>

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

(a) <b>Disclosure relating to disaggregation of revenue in terms of Ind AS 115</b>	<u>2019-20</u>	<u>2018-19</u>
Sale of Generic formulations	<b>4,303.57</b>	3,882.17
Sale of Services	<b>831.33</b>	774.85

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

**Movement of Contract Balances**

a) <b>Advance from Customers</b>	<u>2019-20</u>	<u>2018-19</u>
Opening Balance	<b>4.50</b>	0.20
Addition during the year	<b>5.94</b>	4.50
Repaid during the year	<b>(4.50)</b>	(0.20)
Closing Balance	<b><u>5.94</u></b>	<u>4.50</u>
b) <b>Unbilled Revenue</b>	<u>2019-20</u>	<u>2018-19</u>
Opening Balance	<b>32.15</b>	34.68
Addition during the year	<b>43.24</b>	32.15
Repaid during the year	<b>(32.15)</b>	(34.68)
Closing Balance	<b><u>43.24</u></b>	<u>32.15</u>

**19 Other Income**

<u>Particulars</u>	<u>2019-20</u>	<u>2018-19</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Interest income	<b>2.32</b>	29.00
Dividend income - from investments	<b>9.09</b>	20.60
Profit on sale of property, plant & equipment	<b>0.13</b>	-
Rent Income	<b>5.72</b>	193.50
Foreign Exchange Gain	<b>-</b>	2.43
Reversal of provision for Expected Credit Loss	<b>0.36</b>	11.61
Miscellaneous Income	<b>0.47</b>	0.03
Profit On Sale Of Mutual Fund ( Short Term)	<b>4.46</b>	-
<b>Total</b>	<b><u>22.55</u></b>	<b><u>257.17</u></b>

**20 Cost of Materials Consumed**

<u>Particulars</u>	<u>2019-20</u>	<u>2018-19</u>	
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>	
<b>Raw Materials Consumed</b>			
Opening stock	188.29	346.30	
Add : Purchases (Net of discount)	626.61	983.26	
	<u>814.90</u>	<u>1,329.56</u>	
Less : Closing stock	150.03	664.87	188.29
			1,141.27
<b>Packing Materials Consumed</b>			
Opening stock	47.97	59.36	
Add : Purchases (Net of discount)	129.12	130.68	
	<u>177.09</u>	<u>190.04</u>	
Less : Closing stock	59.63	117.46	47.97
			142.07
<b>Total</b>	<u><u>782.33</u></u>		<u><u>1,283.34</u></u>

**21 Purchases of Traded Goods**

<u>Particulars</u>	<u>2019-20</u>	<u>2018-19</u>	
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>	
Formulations	1,953.51	1,512.98	
Others	144.95	75.40	
<b>Total</b>	<u><u>2,098.46</u></u>		<u><u>1,588.38</u></u>

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

<u>Particulars</u>	<u>2019-20</u>	<u>2018-19</u>	
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>	
<b>Inventory Adjustments - WIP</b>			
Stock at commencement	68.39	63.53	
Less: - Stock at closing	42.51	25.88	68.39
			(4.86)
<b>Inventory Adjustments - FG</b>			
Stock at commencement	144.32	344.99	
Less : Stock at closing	149.05	(4.73)	144.32
			200.67
<b>Inventory Adjustments - Traded Goods</b>			
Stock at commencement	704.92	517.21	
Less : Stock at closing	655.93	48.99	704.93
			(187.72)
<b>Total</b>	<u><u>70.14</u></u>		<u><u>8.09</u></u>

**23 Employee Benefits Expenses**

<u>Particulars</u>	<u>2019-20</u>	<u>2018-19</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Salaries , bonus , perquisites , etc.	704.43	636.88
Contribution to provident and other funds	37.08	27.84
Leave encashment	12.86	10.99
Leave travel assistance	6.45	4.27
Gratuity fund contributions	6.56	6.98
Staff welfare expenses	15.78	13.70
Recruitment & training	0.72	0.63
<b>Total</b>	<b>783.88</b>	<b>701.29</b>

**24 Finance Cost**

<u>Particulars</u>	<u>2019-20</u>	<u>2018-19</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Interest expense	70.31	25.41
<b>Total</b>	<b>70.31</b>	<b>25.41</b>

**25 Depreciation & Amortisation**

<u>Particulars</u>	<u>2019-20</u>	<u>2018-19</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Depreciation on tangible assets	173.13	150.08
Amortisation on intangible assets	0.61	0.19
Depreciation On Right of Use	25.01	-
<b>Total</b>	<b>198.75</b>	<b>150.27</b>

**26 Other Expenses**

<u>Particulars</u>	<u>2019-20</u>	<u>2018-19</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Commission & Distribution Charges	279.56	-
Outside manufacturing charges	109.29	171.39
Power and fuel	165.96	136.17
Consumption of stores and spares	57.87	48.00
Freight, forwarding and transportation	76.42	125.19
Field staff expenses	77.17	75.44
Repairs and maintenance	41.06	40.23
Water charges	3.45	2.80
Loss on sale of property, plant & equipment	5.02	0.55
Property, plant & equipment scrapped	-	0.09
Sales and marketing expenses	22.32	5.44
Brand Recall Expenses - Domestic Marketing	48.24	-
Product information catalogue	3.54	1.09
Laboratory expenses and analytical Charges	50.75	44.97
Expenditure on research & development	2.74	2.93
Rent	33.89	42.32



Rates and taxes	17.44	19.06
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Travelling expenses	14.84	12.35
Professional charges	14.60	19.85
Printing and stationery	9.88	7.82
Books, subscription and software	3.12	0.34
GST expenses	9.28	3.42
Communication expenses	5.06	5.14
Insurance	10.78	11.70
Intellectual property right expenses	4.43	6.21
Remuneration to auditors	8.65	6.22
Bank charges	0.16	0.29
Loss on financial assets measured at FVTPL	29.94	23.35
Bad debts and other balance w/off	2.93	13.13
Security Charges	15.39	12.05
Miscellaneous expenses (none of which individually forms more than 1% of the operating revenue)	9.66	23.72
<b>Total</b>	<b>1,133.44</b>	<b>861.26</b>

**Details of:**

**1 Repairs and Maintenance:**

- Building	8.44	11.77
- Machinery	31.39	27.09
- Others	1.23	1.37
	<u>41.06</u>	<u>40.23</u>

**2 Remuneration To Auditors:**

- Audit fees including Limited Review and Tax Audit	4.60	4.90
- Tax matters	2.38	0.43
- Other services and Out of pocket expenses	1.67	0.89
	<u>8.65</u>	<u>6.22</u>

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

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Employee benefits expenses	2.30	2.16
Cost of materials consumed	-	0.42
Laboratory Expenses	2.73	2.51
Depreciation	12.79	13.68
<b>Total</b>	<b>17.82</b>	<b>18.77</b>

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

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Current Tax	3.82	76.70
Deferred Tax	33.46	(19.96)
Short / Excess Provision of earlier years	-	-
<b>Total</b>	<b>37.28</b>	<b>56.74</b>

**28 Tax Expense- Other Comprehensive Income**

<u>Particulars</u>	<u>2019-20</u>	<u>2018-19</u>
	₹ in Lacs	₹ in Lacs
Current Tax	(1.34)	0.20
Deferred Tax	46.42	34.04
<b>Total</b>	<b>45.08</b>	<b>34.24</b>

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

	<u>2019-20</u>	<u>2018-19</u>
<b>Profit before Income taxes</b>	<b>24.90</b>	301.62
Enacted tax rates in India (%)	<b>26.00%</b>	27.82%
Computed expected tax expenses	<b>6.47</b>	83.91
Accelerated Depreciation	<b>(64.27)</b>	(10.64)
Effect of deductible expenses	<b>(15.26)</b>	(5.31)
Effect of non- deductible expenses	<b>20.02</b>	11.18
Additional deduction on Research and Development Expenses	<b>(6.75)</b>	(2.23)
<b>Income tax expenses - Net.....A</b>	<b>(59.79)</b>	76.91

	<u>2019-20</u>	<u>2018-19</u>
<b>Tax liability as per Minimum alternate tax as per Book Profit</b>	<b>2019-20</b>	<b>2018-19</b>
Minimum alternate tax rate	<b>15.60%</b>	20.59%
Computed expected tax expenses	<b>3.88</b>	62.10
Add: Adjustment	<b>(1.40)</b>	(0.81)
Mat Liability.....B	<b>2.48</b>	61.29
<b>Higher of A or B</b>	<b>2.48</b>	76.91

**(ii) Reconciliation of Deferred Tax of Profit and Loss account and Other Comprehensive Income**
**Deferred tax (assets) / liabilities in relation to statement of profit and loss:**

<u>Particulars</u>	<u>Opening</u>	<u>Recognized in P &amp; L</u>	<u>Recognized in OCI</u>	<u>₹ in Lacs</u> <u>Closing</u>
Property, Plant and Equipment	76.09	(20.66)	-	55.43
Compensated Absences	(8.23)	0.43	-	(7.80)
Expenses	(0.83)	0.27	-	(0.56)
Fair Value Changes of Investment held through OCI	6.76	-	34.04	40.80
<b>As at March 31, 2019</b>	<b>73.79</b>	<b>(19.96)</b>	<b>34.04</b>	<b>87.87</b>
Property, Plant and Equipment	55.43	33.96	-	89.39
Compensated Absences	(7.80)	0.20	-	(7.60)
Expenses	(0.56)	(0.70)	-	(1.26)
Fair Value Changes of Investment held through OCI	40.80	-	46.42	87.22
<b>As at March 31, 2020</b>	<b>87.87</b>	<b>33.46</b>	<b>46.42</b>	<b>167.75</b>

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

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

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Profit after tax	<b>(12.38)</b>	244.88
Closing equity shares outstanding (Nos.)	<b>49,16,980</b>	49,16,980
Opening equity shares outstanding (Nos.)	<b>49,16,980</b>	49,16,980
Add:- issued during the year (Nos.)	-	-
Closing equity shares outstanding (Nos.)	<b>49,16,980</b>	49,16,980
Weighted avg no. of shares outstanding (Nos.) (Basic)	<b>49,16,980</b>	49,16,980
Weighted avg no. of shares outstanding (Nos.) (Diluted)	<b>49,16,980</b>	49,16,980
Nominal value of equity share (₹)	<b>10.00</b>	10.00
Basic EPS (i/iii) (₹)	<b>(0.25)</b>	4.98
Diluted EPS (i/iv) (₹)	<b>(0.25)</b>	4.98

**30 Disclosure in accordance with Ind AS – 116 “Leases”, of the Companies (Indian Accounting Standards) Rules, 2015.**

- i) The Company has adopted Ind AS 116 ‘Leases’ with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the lease liability are recognized based on incremental borrowing rate on the initial application date (01.04.2019) and same amount are recognized for ROU assets.
- ii) The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.
- iii) The following is the summary of practical expedients elected on initial application:
  - a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
  - b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
  - c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
  - d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
  - e) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease
  - f) The Company has elected, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

- iv) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020

<u>Particulars</u>	<u>Land</u>
Balance as on April, 2019	-
Additions during the year	<b>250.90</b>
Deletion during the year	-
Depreciation of Right of use assets	<b>25.01</b>
<b>Balance as at March 31, 2020</b>	<b><u>225.89</u></b>

- v) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

<u>Particulars</u>	<u>Year Ended March 31, 2020</u>
<b>Opening Liability</b>	
Additions during the year	<b>250.90</b>
Finance cost accrued during the year	<b>25.29</b>
Deletions	-
Payment of lease liabilities	<b>(40.33)</b>
<b>Balance as at March 31, 2020</b>	<b><u>235.86</u></b>
<b>Breakup:</b>	
Current portion of Lease liability	<b>6.81</b>
Non Current portion of Lease liability	<b>229.05</b>
	<b><u>235.86</u></b>

- vi) Amounts recognised in the statement of cash flows

<u>Particulars</u>	<u>2019-20</u>
Total cash outflow for leases	<b>40.33</b>

- vii) The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows:

<u>Particulars</u>	<u>As at March 31, 2020</u>
Less than one year	<b>31.20</b>
One to five years	<b>203.77</b>
More than five years	<b>146.86</b>
<b>Total</b>	<b><u>381.83</u></b>

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

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

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

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

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

**A) List of related parties**

**Relationships**

**(i) Entities having significant influence**

Shareholders of Makers Laboratories Ltd

Kaygee Investments Pvt.Ltd.

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

**(ii) Key Management Personnel**

Mr. Saahil Parikh

Wholetime Director

Mr. K.C Jain

Independent Director (Till 31 March 2019)

Mr. Sudarshan Loyalka

Independent Director (Till 31 March 2019)

Dr. Rajeshwar Singh

Independent Director (Till 31 March 2019)

Mrs. Dipti Shah

Independent Director

Mr. R K P Verma

Independent Director (Since 13th February 2019)

Mr. P M Kathariya

Independent Director (Since 13th February 2019)

Mr. Nilesh Jain

Wholetime Director

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

Ipca Laboratories Ltd.

**(iv) Relative of Key Management Personnel**

Mr. Umesh Parikh

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

**33 Contingent liabilities and Commitments**

**A) Contingent Liabilities**

**Particulars**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
Counter Guarantees given to Banks in respect of guarantees given by the bank on behalf of the Company to Government Authorities	<b>1.13</b>	1.05
Other moneys for which the Company is contingently liable for tax and other matters not accepted by the Company	<b>143.42</b>	87.36
<b>Total</b>	<b>144.55</b>	88.41

\* The Hon'ble Supreme Court of India (“SC”) by their order dated February 28, 2019 has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are universally, necessarily and ordinarily paid to all the employees in the establishment across the board. There are numerous interpretative issues relating to the judgement.

As such, the Company has, based on legal advice and as a matter of caution, made provision for an estimated amount on a prospective basis without considering any probable obligations for past periods. The Company will continue to monitor and evaluate its position and act, as clarity emerges.

**B) Commitments**

<u>Particulars</u>	As at March 31, 2020	As at March 31, 2019
	₹ in Lacs	₹ in Lacs
(a) Estimated amount of contracts remaining to be executed on capital account. (Net of Capital Advances)		
- Tangible Assets	<b>38.70</b>	167.60
(b) Outstanding Letter of Credit	<b>25.16</b>	-
	<b>63.86</b>	167.60

**34 Financial Instruments**

The carrying value and fair value of financial instruments by categories as at March 31, 2020 and March 31, 2019 is as follows:

<u>Particulars</u>	₹ in Lacs			
	<u>Carrying Value</u>		<u>Fair Value</u>	
	<u>3/31/2020</u>	<u>31/3/2019</u>	<u>3/31/2020</u>	<u>31/3/2019</u>
<b>Financial assets</b>				
<b>Amortised Cost</b>				
Loans	<b>33.14</b>	36.28	<b>33.14</b>	36.28
Others	<b>111.99</b>	45.72	<b>111.99</b>	45.72
Trade receivables	<b>755.33</b>	501.75	<b>755.33</b>	501.75
Cash and cash equivalents	<b>96.20</b>	225.31	<b>96.20</b>	225.31
<b>FVTPL</b>				
Equity Instruments	<b>16.17</b>	46.11	<b>16.17</b>	46.11
Mutual funds considered as Cash and Cash Equivalents	-	-	-	-
<b>FVTOCI</b>				
Equity Instruments	<b>1,487.48</b>	1,070.37	<b>1,487.48</b>	1,070.37
<b>Total Financial Assets</b>	<b>2,500.31</b>	1,925.54	<b>2,500.31</b>	1,925.54
<b>Financial liabilities</b>				
<b>Amortised Cost</b>				
Borrowings	<b>851.14</b>	598.63	<b>851.14</b>	598.63
Trade payables	<b>771.11</b>	393.04	<b>771.11</b>	393.04
Others	<b>681.34</b>	559.15	<b>681.34</b>	559.15
Lease Liability	<b>235.85</b>	-	<b>235.85</b>	-
<b>Total Financial Liabilities</b>	<b>2,539.44</b>	1,550.82	<b>2,539.44</b>	1,550.82

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

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

**35 Fair Value Hierarchy**

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

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

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

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

Particulars	Date of Valuation	Fair Value measurement using			₹ in Lacs
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets measured at fair value through P&amp;L</b>					
Listed Equity Investments	31/03/2020	16.17	-	-	16.17
Mutual Funds	31/03/2020	-	-	-	-
		<b>16.17</b>	-	-	<b>16.17</b>
<b>Financial assets measured at fair value through OCI</b>					
Listed Equity Investments	31/03/2020	1,412.86	-	-	1,412.86
Unlisted Equity Investments	31/03/2020	-	74.62	-	74.62
		<b>1,412.86</b>	<b>74.62</b>	-	<b>1,487.48</b>
<b>Financial assets measured at Amortised Cost</b>					
Loans	31/03/2020	-	-	33.14	33.14
Others	31/03/2020	-	-	111.99	111.99
Trade receivables	31/03/2020	-	-	755.33	755.33
Cash and cash equivalents	31/03/2020	-	-	96.20	96.20
		-	-	<b>996.66</b>	<b>996.66</b>
<b>Total Financial Assets</b>		<b>1,429.03</b>	<b>74.62</b>	<b>996.66</b>	<b>2,500.31</b>
Borrowings	31/03/2020	-	-	851.14	851.14
Lease Liability	31/03/2020	-	-	235.85	235.85
Trade Payable	31/03/2020	-	-	771.11	771.11
Other Financial Liability	31/03/2020	-	-	681.34	681.34
		-	-	<b>2,539.44</b>	<b>2,539.44</b>
<b>Total Financial Liability</b>		-	-	<b>2,539.44</b>	<b>2,539.44</b>
<b>Financial assets measured at fair value through P&amp;L</b>					
Listed Equity Investments	31/03/2019	46.11	-	-	46.11
Mutual Funds	31/03/2019	-	-	-	-
		<b>46.11</b>	-	-	<b>46.11</b>
<b>Financial assets measured at fair value through OCI</b>					
Listed Equity Investments	31/03/2019	996.38	-	-	996.38
Unlisted Equity Investments	31/03/2019	-	73.99	-	73.99
		<b>996.38</b>	<b>73.99</b>	-	<b>1,070.37</b>
<b>Financial assets measured at Amortised Cost</b>					
Loans	31/03/2019	-	-	36.28	36.28
Others	31/03/2019	-	-	45.72	45.72
Trade receivables	31/03/2019	-	-	501.75	501.75
Cash and cash equivalents	31/03/2019	-	-	225.31	225.31
		-	-	<b>809.06</b>	<b>809.06</b>
<b>Total Financial Assets</b>		<b>1,042.49</b>	<b>73.99</b>	<b>809.06</b>	<b>1,925.54</b>
Borrowings	31/03/2019	-	-	598.63	598.63
Lease Liability	31/03/2019	-	-	-	-
Trade Payable	31/03/2019	-	-	393.04	393.04
Other Financial Liability	31/03/2019	-	-	559.15	559.15
		-	-	<b>1,550.82</b>	<b>1,550.82</b>
<b>Total Financial Liability</b>		-	-	<b>1,550.82</b>	<b>1,550.82</b>

### 36 Financial Risk Factors

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

#### (i) Business/Market Risk

The primary business/market risk to the Company is the price risk. There was decrease in the income in FY 2018-19 mainly on account of lower price realisation in few generic formulations market due to competitive nature of the market and also due to reduction in the selling prices of many formulations due to price reductions made under the drug pricing regime in the country.

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

#### (ii) Credit Risk

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

### 37 Capital Management

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

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

<u>Particulars</u>	<u>₹ in Lacs</u>	
	<u>As at</u>	<u>As at</u>
	<u>31/03/2020</u>	<u>31/03/2019</u>
Borrowings	<b>851.14</b>	598.63
Trade payables	<b>771.11</b>	393.04
Lease Liability	<b>235.85</b>	-
Other payables	<b>681.34</b>	559.15
Less: Cash and Cash Equivalents	<b>(86.66)</b>	(216.04)
Net debt	<b>2,452.78</b>	1,334.78
Total Equity Capital and net debt	<b>4,461.93</b>	4,170.15
Gearing Ratio	<b>54.97%</b>	32.01%

No changes were made in the objectives, policies or processes for managing the capital during the years ended March 31, 2020 and March 31, 2019.



- 38** In the last quarter of the financial year 2020, the coronavirus disease emerged as a global pandemic resulting in many governments declaring lockdowns in the last fortnight of March 2020 forcing citizens to stay indoors and disruption of economic activities globally. Being manufacturers and marketers of generic pharmaceuticals and hence provider of essential services and exempted from lockdown, the manufacturing facility and marketing activities of the Company continued with the manufacturing and marketing operations with initial challenges such as shortage of manpower, availability of raw materials, packing materials and disruptions in the logistics and supply chain. Management believes that it has taken into account all the possible impact of known events arising from Covid-19 pandemic in the preparation of standalone financial statements. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.
- 39** The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2020.

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

**N. Jayendran**  
Partner  
M.No. 40441  
Mumbai June 15, 2020

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

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

**Nilesh Jain**  
(DIN 05263110)  
Wholetime Director

**P M Kathariya**  
(DIN 00281395)  
Director

June 15, 2020

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

**Sandeep Kadam**  
CFO

**Statement 1 (refer Note No. 32 )**

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

**Transactions with Related Parties**

₹ in Lacs

Description	Entities having significant influence		Key Management Personnel		Entities in which promoters have significant influence		Other Related Parties		Total	
	Subsidiaries									
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Purchase of goods and services (Incl. GST)</b>										
Ipca Laboratories Ltd	-	-	-	-	161.06	37.38	-	-	161.06	37.38
<b>TOTAL</b>	-	-	-	-	161.06	37.38	-	-	161.06	37.38
<b>Sales of goods and services (Incl. GST)</b>										
Ipca Laboratories Ltd	-	-	-	-	1,064.65	987.83	-	-	1,064.65	987.83
<b>TOTAL</b>	-	-	-	-	1,064.65	987.83	-	-	1,064.65	987.83
<b>Other expenses reimbursements</b>										
Ipca Laboratories Ltd	-	-	-	-	0.01	-	-	-	0.01	-
<b>TOTAL</b>	-	-	-	-	0.01	-	-	-	0.01	-
<b>Dividend Income :</b>										
Ipca Laboratories Ltd	-	-	-	-	8.12	1.01	-	-	8.12	1.01
<b>TOTAL</b>	-	-	-	-	8.12	1.01	-	-	8.12	1.01
<b>Other expenses paid:</b>										
Ipca Laboratories Ltd	-	-	-	-	12.95	24.63	-	-	12.95	24.63
<b>TOTAL</b>	-	-	-	-	12.95	24.63	-	-	12.95	24.63
<b>Remuneration to Directors</b>										
Mr. Saahil Parikh	-	-	42.63	38.02	-	-	-	-	42.63	38.02
Mr. Nilesh Jain	-	-	23.30	4.12	-	-	-	-	23.30	4.12
<b>TOTAL</b>	-	-	65.93	42.14	-	-	-	-	65.93	42.14
<b>Provident Fund</b>										
Mr. Saahil Parikh	-	-	3.18	2.91	-	-	-	-	3.18	2.91
Mr. Nilesh Jain	-	-	1.75	0.23	-	-	-	-	1.75	0.23
<b>TOTAL</b>	-	-	4.93	3.14	-	-	-	-	4.93	2.91
<b>Sitting Fee to Non-executive Directors</b>										
Mr. K C Jain	-	-	-	1.15	-	-	-	-	-	1.15
Mr. S V Loyalka	-	-	-	1.00	-	-	-	-	-	1.00
Dr. Rajeshwar Singh	-	-	-	1.15	-	-	-	-	-	1.15
Mrs. Dipti Shah	-	-	1.45	0.75	-	-	-	-	1.45	0.75
Mr. R K P Verma	-	-	1.60	0.20	-	-	-	-	1.60	0.20
Mr. P M Kathariya	-	-	1.60	0.20	-	-	-	-	1.60	0.20
<b>TOTAL</b>	-	-	4.65	4.45	-	-	-	-	4.65	4.45
<b>Salaries Paid</b>										
Umesh Parikh	-	-	-	-	-	-	23.68	34.81	23.68	34.81
<b>TOTAL</b>	-	-	-	-	-	-	23.68	34.81	23.68	34.81
<b>Balance at year end</b>										
<b>Receivables</b>										
Ipca Laboratories Ltd	-	-	-	-	117.53	159.24	-	-	117.53	159.24
<b>TOTAL</b>	-	-	-	-	117.53	159.24	-	-	117.53	159.24
<b>Payables</b>										
Ipca Laboratories Ltd	-	-	-	-	79.01	10.43	-	-	79.01	10.43
<b>TOTAL</b>	-	-	-	-	79.01	10.43	-	-	79.01	10.43



## **Makers Laboratories Limited**

Registered Office:

54-D, Kandivli Industrial Estate,  
Charkop, Kandivli (West),  
Mumbai - 400 067.

CIN : L24230MH1984PLC033389

Ph : 022 - 2868 8544

Email : [investors@makerslabs.com](mailto:investors@makerslabs.com)

Website : [www.makerslabs.com](http://www.makerslabs.com)

**Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2020**

Sr. No.	Name of the Employee	Designation	Age (Years)	Qualification	Date of Joining	Remuneration (Rs.)	Experience (Years)	Last Employment held before joining the Company	% of equity shares held in the Company	Experience before joining the Company (Years)
1	DAVINDER BHARDWAJ	VICE PRESIDENT MARKETING (RETAIL)	56.4	B. Sc.	15/03/2019	46,52,319	33.03	PINNACLE LIFE SCIENCE	-	2
2	SAAHIL PARIKH	WHOLE TIME DIRECTOR	45.2	B. Sc., DMS	01/07/1996	43,28,520	23.09	-	0.34%	-
3	NILESH JAIN	WHOLE TIME DIRECTOR	44.11	B. Com., M.M.S	28/03/2017	24,06,280	20.00	MESA TRADE CORPORATION	-	2.1
4	UMESH PARIKH	GENERAL MANAGER - OPERATIONS	72.2	B. Com.	05/04/1983	23,88,000	37.00	-	0.22%	-
5	KHYATI DANANI	COMPANY SECRETARY	37.5	B. Com., ACS, LL.B.	9/08/2016	12,36,653	09.04	FIRST SOURCE SOLUTIONS LTD	-	1.04
6	PREMNATH YOGI	SR. MANAGER	42.7	B. Pharm	16/06/2018	11,96,076	16.00	Rusan Pharma Ltd	-	2
7	SANDEEP KADAM	SR. MANAGER ACCOUNTS/CFO	53.0	B. Com.	26/12/1996	9,34,888	31.11	M/S ATV PROJECTS INDIA LTD	0.01%	2.07
8	NEERAJ KUMAR SINGH	SALES HEAD	48.7	B.A.	02/08/2017	8,55,087	23.10	PEHAL PETRO	-	1.02
9	REKHA KOTIA	MANAGER QUALITY ASSURANCE	56.9	B. Pharm	10/10/2011	8,06,556	26.08	ChandraBhagat Pharma Pvt Ltd	-	4.08
10	ASGHER AZIZ KHAN	DGM - MARKETING	44.3	B. Sc., DCMISA	08/04/2019	8,00,058	24.00	Halwood Lab Ltd.	-	0.04

**Notes:**

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

Mumbai,  
15<sup>th</sup> June, 2020

For and on behalf of the Board

R. K. P. Verma  
Chairman