



ANNUAL REPORT 2018-19

MAKERS LABORATORIES LIMITED



Five Years' Highlights

(₹ Lacs)

	2014-15	2015-16	2016-17	2017-18	2018-19
Total Income	6537.97	6202.84	5983.62	5792.35	4919.67
Profit Before Tax	339.99	350.34	533.64	423.55	301.62
Profit After Tax	235.19	230.61	369.97	305.69	244.88
Share Capital	491.70	491.70	491.70	491.70	491.70
Reserves & Surplus	1970.84	2565.33	2914.67	3190.49	3678.46
Net Worth	2462.54	3057.03	3406.37	3682.19	4170.16
Net Block	1417.65	1372.57	1745.01	1672.29	2451.92
Earnings Per Share (₹)	4.78	4.69	7.52	6.22	4.98
Book Value Per Share (₹)	50.08	62.17	69.28	74.89	84.81

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.....	20
Report on Corporate Governance.....	28
Secretarial Audit Report.....	61
Independent Auditors' Report.....	64
Annexure to Auditors' Report.....	68
Balance Sheet.....	72
Statement of Profit and Loss	73
Cash Flow Statement.....	74
Notes on Financial Statements.....	87
Attendance Slip/Proxy Form.....	111
Five Years' Highlights.....	Inside Front Cover

NOTICE is hereby given that the 34th ANNUAL GENERAL MEETING of Makers Laboratories Limited will be held at Anand Mangal Hall, Plot No. 150, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai – 400 067 on Thursday, 8th August, 2019 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Saahil Parikh (DIN 00400079) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. R. K. P. Verma (DIN 02166789) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13th February, 2019 under Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (the Act) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. R. K. P. Verma (DIN 02166789) a non-executive director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years from 13th February, 2019 to 12th February, 2024.

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.”

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

“RESOLVED THAT Mr. P. M. Kathariya (DIN 00281395) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13th February, 2019 under Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (the Act) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. P. M. Kathariya (DIN 00281395) a non-executive director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years from 13th February, 2019 to 12th February, 2024.

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

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

“RESOLVED THAT Mr. Nilesh Jain (DIN 05263110) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13th February, 2019 under Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and whose term of office shall be liable to determination by retirement of the Directors by rotation.

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.”

7. 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 appointment of and remuneration payable to Mr. Nilesh Jain (DIN 05263110) as the Wholetime Director of the Company for a period of 3 years commencing 13th February, 2019 to 12th February, 2022 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 13th February, 2019 entered into between the Company and Mr. Nilesh Jain, 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.”

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

“RESOLVED THAT in supersession of the earlier resolutions passed in this regard and pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations) as applicable and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to enter into contracts/transactions with M/s. Ipca Laboratories Limited, a related party, on such terms and conditions as may be mutually agreed upon, to purchase, sell or supply any materials, goods, plant & machineries or capital goods and also availing of / rendering of services like contract manufacturing services or loan license manufacturing services or provision of any other services, the value of which all taken together may exceed ten per cent of the turnover of the Company subject to however that the value of all the transactions aforesaid during any financial year shall not exceed in aggregate an amount of ₹ 30 crores (Rupees Thirty Crores Only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary in this regard.”

9. 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 2019-20 be paid remuneration of ₹ 65,000/- (Rupees Sixty Five Thousand Only) plus applicable tax and reimbursement of traveling and other out of pocket expenses.”

NOTES

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies, in order to be effective must be received at the registered office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy Form is attached herewith.**
- (2) Corporate Members intending to send their authorised representative to attend the meeting are requested to send a certified true copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 3rd August, 2019 to Thursday, 8th August, 2019 (both days inclusive) for ascertaining the names of the shareholders to whom the dividend which if declared at the meeting is payable.
- (4) The dividend if declared at the meeting will be paid to those members,
 - a. whose names appear as beneficial owners as at the end of the business hours on Friday, 2nd August, 2019 in the list of beneficial owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form; and
 - b. whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrars and Share Transfer Agents viz Link Intime India Pvt. Ltd. on or before Friday, 2nd August, 2019.
- (5) The information required to be provided regarding the directors seeking appointment / re-appointment is furnished in the Report on Corporate Governance.
- (6) Members are requested to:
 - (a) intimate to the Company / their Depository Participant ("DP"), changes, if any, in their registered address at an early date;
 - (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;
 - (c) bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting;
 - (d) encash the dividend warrants on their receipt as dividend amounts remaining unclaimed for seven years are required to be transferred to the 'Investor Education and Protection Fund' established by the Central Government under the provisions of the Companies Act, 2013. Pursuant to Section 124(5) of the Companies Act, 2013, all unclaimed dividend declared and paid upto Dividend for the financial year 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;
 - (e) Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred all shares in respect of which dividend has not been encashed by the shareholders for seven consecutive years or more in the name of Investor Education and Protection Fund (IEPF). The shareholders who wish to claim the said shares from the IEPF may claim the same by filing e-form No. IEPF-5 as prescribed under the said Rules available on website www.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; and

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

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

- (7) 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 April 1, 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, if required.
- (8) All documents referred in the notice will be available for inspection by the members at the Registered Office of the Company from 11.00 a.m. to 1.00 p.m. on all working days (excluding Saturday) upto the date of the Annual General Meeting and shall also be placed before the members at the said Annual General Meeting.
- (9) Statement setting out material facts under Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto.
- (10) Electronic copy of the Notice of the 34th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the notice of the 34th Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form is being sent in the permitted mode.
- (11) Members may also note that the Notice of the 34th Annual General Meeting will also be available on the Company's website www.makerslabs.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form upon making a request for the same. For any communication, shareholders may also send requests to the Company's investors e-mail id investors@makerslabs.com.
- (12) The route map showing directions to reach the venue of the AGM is annexed.
- (13) Voting through electronic means:
- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 (Amended Rules 2015) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS2) issued by The Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote on the resolutions proposed to be considered at the 34th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Monday, 5th August, 2019 (9:00 am) and ends on Wednesday, 7th August, 2019 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 2nd August, 2019 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Any person who is not a Member as on the cut off date should treat this notice for information purpose only. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

- V. The process and manner for remote e-voting are as under:

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

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

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

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

Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the vote on 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 is given below:

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

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

General Guidelines for shareholders

- i. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@makerslabs.com with a copy marked to evoting@nsdl.co.in.

- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
 - iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
- (14) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 2nd August, 2019.
- (15) Any person, who acquires shares of the Company and becomes member of the Company after despatch of notice and holding shares as of the cut-off date i.e. 2nd August, 2019 may obtain the login ID and password by sending an e-mail to evoting@nsdl.co.in by mentioning their Folio No. / DP ID and Client ID No. However, if you are already registered with NSDL for remote e-voting, then you can use your existing User ID and password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on www.evoting.nsdl.com or contact NSDL at the Toll Free No: 1800 222 990.
- (16) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- (17) 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 voting at the meeting) in a fair and transparent manner.
- (18) The Chairman shall, at the AGM, at the end of discussion on resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting.
- (19) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, on resolutions to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (20) The Results declared alongwith the report of the Scrutinizer shall be displayed at the Registered Office of the Company and placed on the website of the Company www.makerslabs.com and on the website of NSDL (www.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Ltd. (BSE) where the Company’s shares are listed.

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

By Order of the Board
For Makers Laboratories Limited

Khyati Danani
Company Secretary
ACS 21844

Mumbai
22nd May, 2019

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 4**

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. R. K. P. Verma (DIN 02166789) as an Additional Director of the Company and also Independent Director, not liable to retire by rotation, for a term of 5 consecutive years from 13th February, 2019 upto 12th February, 2024.

Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, Mr. R. K. P. Verma holds office of the Director up to the date of this Annual General Meeting (“AGM”) and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member, proposing his candidature for the office of Director.

Mr. R. K. P. Verma aged 69 years holds a Masters degree in Business Management and holds a Post Graduate Diploma in Industrial Relations and Personnel Management.

He has varied industry experience of nearly 40 years mostly in the pharmaceuticals industry. He was the Managing Director of Goa Antibiotics & Pharmaceuticals Ltd. (June 1999 to February 2001), Managing Director of Tonira Pharma Ltd. (November 2007 to May 2011).

He was also the Managing Director of the Company between February 2001 to August 2004. Currently he is practicing as a Management Consultant and mentor to start-ups.

He is also a Director of Krebs Biochemicals and Industries Limited, a listed Indian Company. He is not a member of any committee of the Board of the said company.

His knowledge and experience in pharmaceutical industry will be of immense benefit to the Company.

He does not hold any equity shares of the Company.

Mr. R. K. P. Verma is not debarred from holding the office of Director by virtue of any SEBI order or order by any other competent authority.

The Company has received a declaration from Mr. R. K. P. Verma that he meets the criteria of independence as prescribed under Section 149 of the Act and under Listing Regulations.

In the opinion of the Board, Mr. R. K. P. Verma fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as an Independent Director of the Company and is independent of the management.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations, the appointment of Mr. R. K. P. Verma as an Independent Director is now being placed before the Members for their approval.

Details of the number of Board Meetings held and attended by him during his tenure as Director of the Company are given in the Corporate Governance Report.

Copy of the letter for appointment of Mr. R. K. P. Verma as an Independent Director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (11.00 am to 1:00 pm) on any working day except Saturday. The same is also available on the Company’s website www.makerslabs.com.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. R. K. P. Verma as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. R. K. P. Verma as Director / Independent Director for the approval by the shareholders of the Company.

Except Mr. R. K. P. Verma being an appointee himself and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.4.

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).

Item No. 5

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. P. M. Kathariya (DIN 00281395) as an Additional Director of the Company and also Independent Director, not liable to retire by rotation, for a term of 5 consecutive years from 13th February, 2019 upto 12th February, 2024.

Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, Mr. P. M. Kathariya holds office of the Director up to the date of this Annual General Meeting (“AGM”) and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member, proposing his candidature for the office of Director.

Mr. P. M. Kathariya aged 65 years is a law graduate and a practicing Chartered Accountant by profession.

He is enriched with more than 40 years of experience in the field of Accounts, Audits, Taxation, advisory services including in the field of legal compliances for companies from diverse industries across different geographies. He has been instrumental in handling various cases which includes providing advisory services on critical Tax issues that relate to Income Tax Assessments and Scrutiny, etc.

He is also a Director of the following Companies

Ravi Kumar Distilleries Limited (a listed Indian Company)	Avik Pharmaceutical Limited (unlisted public limited Company)
Sam Tax & Finance Services Pvt. Limited	

He is the member of the Audit Committee of the Board of Ravi Kumar Distilleries Limited and Avik Pharmaceutical Limited.

His knowledge and experience in field of Accounts, Taxation and Law will be of immense benefit to the Company.

He does not hold any equity shares of the Company.

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

The Company has received a declaration from Mr. P. M. Kathariya that he meets the criteria of independence as prescribed under Section 149 of the Act and under Listing Regulations.

In the opinion of the Board, Mr. P. M. Kathariya fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as an Independent Director of the Company and is independent of the management.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations, the appointment of Mr. P. M. Kathariya as an Independent Director is now being placed before the Members for their approval.

Copy of the letter for appointment of Mr. P. M. Kathariya as an Independent Director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (11:00 am to 1:00 pm) on any working day except Saturday. The same is also available on the Company’s website www.makerslabs.com.

Details of the number of Board Meetings held and attended by him during his tenure as Director of the Company are given in the Corporate Governance Report.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. P. M. Kathariya as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. P. M. Kathariya as Director / Independent Director for the approval by the shareholders of the Company.

Except Mr. P. M. Kathariya being an appointee himself and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.5.

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).

Item No. 6 & 7

Based on the recommendation of Nomination and Remuneration Committee, at the meeting of the Board of Directors of the Company held on 13th February, 2019, Mr. Nilesh Jain (DIN 05263110) was appointed as an Additional Director of the Company with effect from 13th February, 2019. He holds office only upto the date of the ensuing Annual General Meeting of the Company. A notice has been received by the Company from a member proposing Mr. Nilesh Jain as a candidate for the office of Director of the Company.

Based on the recommendation of Nomination and Remuneration Committee, at the meeting of the Board of Directors of the Company held on 13th February, 2019, he was also appointed as the Wholetime Director of the Company for a period of 3 years from 13th February, 2019 to 12th February, 2022. Accordingly, an agreement setting out the terms and conditions of his appointment including remuneration payable to him was entered into between the Company and Mr. Nilesh Jain, Wholetime Director on 13th February, 2019.

This 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.

Mr. Nilesh Jain, aged 43 years is by qualification a Commerce Graduate (B. Com) and M.M.S. (Masters in Management Studies) from Mumbai University.

He has nearly 23 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 does not hold directorship in any other Company.

He does not hold any equity shares in the Company.

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

He is not a member of any Committee of the Board 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 Corporate Governance Report.

The Agreement referred to in the resolution at item 7 of the accompanying notice sets out the remuneration and other terms and conditions applicable to Mr. Nilesh Jain upon his appointment as the Wholetime Director.

The abstract of the terms and conditions of his appointment as mentioned in the said Agreement are as follows:

1. Period: 3 (three) years with effect from 13th February, 2019.
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 and 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 endeavors 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 ₹ 1,32,000/- (Rupees One Lac Thirty Two Thousand Only) per month with such increments as may be decided by the Board subject to a ceiling of ₹ 2,00,000/- (Rupees Two Lacs Only) per month.
 - b. Commission: Such remuneration by way of commission, in addition to the above 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 Section 197 and other applicable provisions of the Companies Act, 2013.

The specific amount 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.
 - 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 ₹ 25,000/- 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 provident fund and gratuity 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 twenty working days and such leave shall be allowed to be accumulated for not more than thirty 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 conform to and comply with the directions and regulations made by the Board, and shall use his best endeavors to promote interests of the Company.
 10. As long as Mr. Nilesh Jain 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. Nilesh Jain 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 consent of the Company accorded by a special resolution.
 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 forthwith terminate his employment hereunder.
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 of 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. Nilesh Jain himself and his relatives, none of the other Directors or 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 resolutions set out at Item No. 6 & 7 of the accompanying notice for the approval of the members by way of a 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).

I General Information as required under Schedule V of the Companies Act, 2013		
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 are given in the 2 nd cover page of the Annual Report 2018-19 accompanying this notice.
5.	Foreign investments or collaborators, if any	None

II Information about the appointee		
1.	Background details	Mr. Nilesh Jain, aged 43 years is by qualification a Commerce Graduate (B. Com) and M.M.S. (Masters in Management Studies) from Mumbai University. He has nearly 23 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.
2.	Past remuneration	Mr. Nilesh Jain has over 2 decades of experience in the field of materials management, marketing management, business development and general management. Before being appointed as the Wholetime Director of the Company he was working as Senior Manager – Materials with the Company since March 2017 on a remuneration of ₹ 16.12 lacs per annum.
3.	Recognition or awards	None
4.	Job profile and his suitability	His qualification and experience 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 commercial and marketing function.
5.	Remuneration proposed	As per the explanatory statement provided to item No. 7 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

III	Other information	
1.	Reasons of loss or inadequate profits	The Company's margins are under pressure due to competition from small manufacturers.
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.
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 2-3 years.

IV	Disclosures	
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. 8

The Companies Act, 2013, under Section 188, inter-alia, provides that no contract or arrangement or transactions for sale, purchase or supply of any goods or materials exceeding ten per cent of the turnover of the Company or ₹ 100 crores whichever is lower or availing/rendering of any services exceeding ten per cent of the turnover of the Company or ₹ 50 crores whichever is lower shall be entered into by the Company except with the prior approval of the shareholders by a resolution.

It is proposed to enter into contracts/transactions for purchase/supply of materials, goods or providing of loan license / contract manufacturing services in the ordinary course of Company's business with M/s. Ipca Laboratories Limited, a related party within the definition under the Companies Act, 2013 and SEBI Regulations.

The aggregate value of all such contracts/transactions for purchase or supply of materials, goods or rendering or availing of services is likely to exceed the limits under Section 188 of the Act read with Rules made thereunder. Therefore, the transactions of the Company with M/s. Ipca Laboratories Ltd. would be material transaction in terms of Regulation 23 (1) of the SEBI Regulations. It is, therefore, proposed to obtain approval of the members to enter into such transactions with M/s. Ipca Laboratories Ltd. under Section 188 of the Companies Act, 2013 and Regulation 23 (4) of the said SEBI Regulations by way of an Ordinary Resolution.

The particulars of the contracts/transactions, pursuant to para 3 of Explanation (1) to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

- 1 Name of the related party: M/s. Ipca Laboratories Ltd.
- 2 Name of the director or Key managerial Person who is related: None.
- 3 Nature of relationship: Companies promoted by same promoters.
- 4 Monetary value: Estimated aggregate contract value for the matters proposed in the resolution will not exceed ₹ 30 Crores in any financial year.
- 5 Nature, material terms and particulars of arrangement:
 - 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 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.
- 6 Period of contract: Continuous transactions on an ongoing basis.
- 7 The aggregate value of such contracts/ transactions with M/s. Ipca Laboratories Ltd. should not exceed ₹ 30 crores in any financial year.

The memorandum of terms and conditions of the transactions to be entered/entered into with M/s. Ipca Laboratories Ltd. is available for inspection on all working days (between 11.00 am to 1.00 pm) at the Registered Office of the Company except on Saturday.

All entities falling under the definition of related parties shall abstain from voting on this resolution irrespective of whether the entity is a party to the particular transaction or not.

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. 8.

The Board of Directors recommend the passing of ordinary resolution set forth in the Notice for the approval of members.

Item No. 9

The Board of Directors on the recommendation of the Audit Committee have appointed M/s Kale & Associates, Cost Accountants (Firm Registration No. 001819), as the Cost Auditors of the Company for the financial year 2019-20. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on all working days, excluding Saturday.

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

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution set out at Item No. 9.

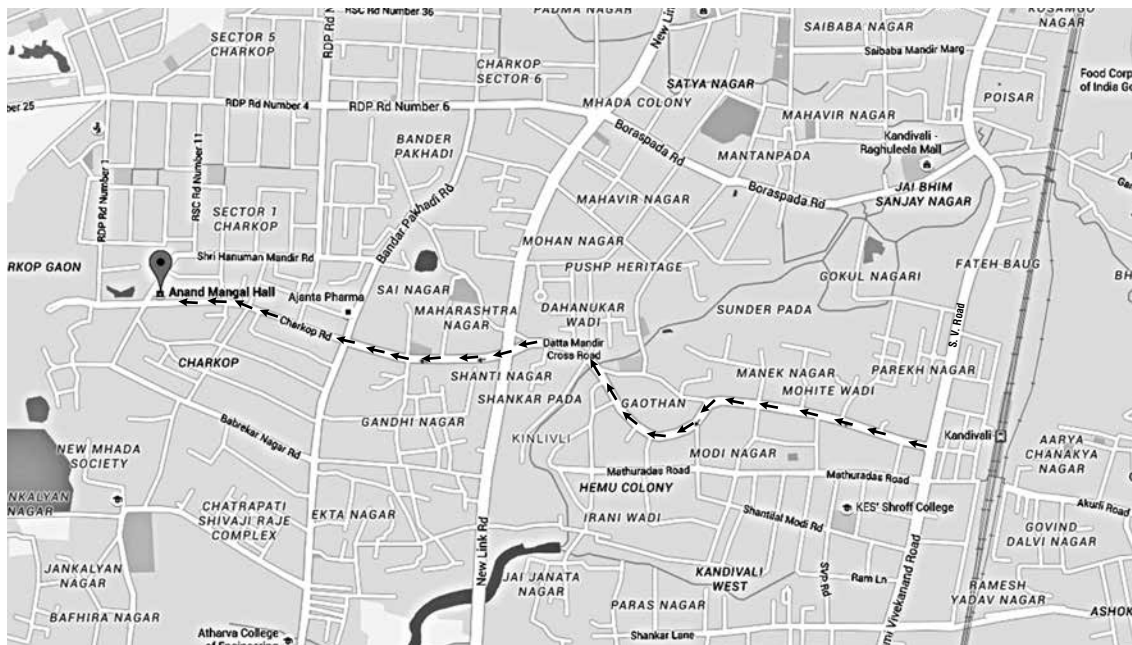
The Board of Directors accordingly recommend the resolution set out at Item No. 9 of the accompanying Notice for the approval of the members.

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

By Order of the Board
For Makers Laboratories Limited

Khyati Danani
Company Secretary
ACS 21844

Mumbai
22nd May, 2019

ROUTE MAP OF THE AGM VENUE

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 34th Annual Report and Financial Statements for the year ended 31st March, 2019.

FINANCIAL RESULTS / PERFORMANCE

	For the year ended 31.3.2019 (₹ Lacs)	For the year ended 31.3.2018 (₹ Lacs)
Total Income	4919.67	5792.35
Profit before finance cost, depreciation and taxation	477.31	616.52
Less : Finance Cost	25.41	35.82
Depreciation & Amortisation	150.28	157.15
Profit before tax	301.62	423.55
Provision for taxation:		
Current tax	76.70	136.17
Deferred tax liability / (asset)	(19.96)	(13.03)
Tax provision for earlier years	-	(5.28)
Net Profit after Tax	244.88	305.69

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).

MANAGEMENT DISCUSSION AND ANALYSIS

(a) Financial Performance and Operations Review

Sales and other income for the financial year under report amounted to ₹ 4919.67 lacs as compared with ₹ 5792.35 lacs for the previous year, a de-growth of 15%.

The operations of the Company have resulted in a net profit of ₹ 244.88 lacs as compared to a net profit of ₹ 305.69 lacs in the previous financial year.

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

The Company is in the process of setting up an ophthalmic / eye drops manufacturing unit at GIDC, Naroda, Ahmedabad with a capital outlay of about ₹ 12.50 crores. This manufacturing unit is expected to commence manufacturing operations in the current financial year.

During the year under report, pursuant to an order passed by the Hon'able High Court of Judicature at Bombay, in the case of one of the loan license manufacturer, the materials belonging to the Company and sent to the said manufacturer to manufacture the Company's products went into the possession of

the official liquidator. The Company, pursuant to a petition filed with the said Hon'able High Court and as ordered, could recover most of the said materials from the said manufacturer. However, materials valued at ₹ 40.54 lacs could not be recovered / were not in usable condition and were written off to the Profit & Loss Account.

The Company's business was also impacted during the year since the said loan license manufacturer could not manufacture the Company's products and making alternate arrangements for manufacturing those products took some time.

Key Financial Ratios	31st March, 2019	31 st March, 2018
Debtors Turnover Ratio	9.28	4.99
Inventory Turnover Ratio	3.94	4.00
Interest Coverage Ratio	18.78	17.21
Current Ratio	2.02	1.78
Debt Equity Ratio	0.14	-
Operating Profit Margin (%)	1.38%	4.81%
Net Profit Margin (%)	4.98%	5.28%
Return on Net Worth	5.87%	8.30%

The tight control and monitoring over sales outstanding have resulted in significant improvement in the debtors turnover ratio. However, for the reasons stated hereinabove, there is substantial deterioration in the operating profit margin and return on net worth.

(b) Opportunities, Threats, Risk and Concerns

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

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

(c) Internal Control Systems

The Company has an adequate internal control system including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control systems provide for all documented policies, guidelines, authorisation and approval procedures. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit Committee of the Board.

(d) Human Resources

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

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

Your Company had 114 permanent employees as at 31st March, 2019.

(e) Cautionary Statement

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

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR

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

SHARE CAPITAL

The paid-up equity share capital of the Company as at 31st March, 2019 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 ₹ 31.87 lacs as R&D expenditure (0.68% of the turnover) as against ₹ 38.49 lacs spent in the previous financial year (0.69% of the turnover).

DIVIDEND

Your directors are pleased to recommend a equity dividend of Re.1/- per share (10%) for the financial year under report. The Dividend recommended is in line with the Company's dividend distribution policy which is placed on the Company's website (www.makerslabs.com).

The dividend and applicable dividend tax amounting to ₹ 58.83 lacs, if approved at the ensuing Annual General Meeting, will be appropriated out of the profits for the year and will be paid on or before 30th August, 2019.

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 dividends for the last seven financial years is available on the website of the Company (www.makerslabs.com).

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

DIRECTORS

At the meeting of the Board of Directors of the Company held on 13th February, 2019, Mr. R. K. P. Verma and Mr. P. M. Kathariya were appointed as an Additional / Independent Directors of the Company. They hold the office of directorship till the conclusion of the ensuing Annual General Meeting. Being eligible, they have offered themselves for appointment as Directors / Independent Directors of the Company.

At the meeting of the Board of Directors of the Company held on 13th February, 2019, Mr. Nilesh Jain was appointed as an Additional Director of the Company and designated as Whole-time Director for a period of 3 years from 13th February, 2019 till 12th February, 2022 (subject to the approval of shareholders at the ensuing Annual General Meeting).

The Board of Directors of the Company at their meeting held on 28th March, 2019 have appointed Mr. R. K. P. Verma, Independent Director as the Non-Executive Chairman of the Board of Directors of the Company.

During the year under report, the term of appointment of Mr. K. C. Jain, Mr. S. V. Loyalka and Dr. Rajeshwar Singh as Independent Directors came to an end on 31st March, 2019. They have informed the Company of their inability to continue / re-appointed as Director / Independent Director upon completion of their said term on 31st March, 2019. Accordingly, the Board of Directors of the Company at their meeting held on

28th March, 2019 have accepted their resignation as Directors / Independent Directors and accordingly they cease to be the Directors of the Company with effect from 1st April, 2019. The Board places on record its appreciation for the services rendered by them during their tenure as Directors of the Company.

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

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.

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 Directors being 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 (appointed w.e.f. 13 th February, 2019)
Mr. Sandeep Kadam	-	Manager – Accounts / CFO
Ms. Khyati Danani	-	Company Secretary

POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS

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

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

BOARD EVALUATION

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

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

REMUNERATION POLICY

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

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

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Details of the familiarisation program of independent directors are disclosed on the website of the Company www.makerslabs.com.

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, 2019 and of the profit of the Company for the financial year;
- iii) that your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that your Directors have prepared the annual accounts on a going concern basis;
- v) that your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) that your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

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

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

FIXED DEPOSITS

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

AUDIT COMMITTEE

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

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 32nd Annual General Meeting (AGM) of the Company for a term of 5 (Five) years i.e. till the conclusion of 37th AGM and this appointment was ratified by the shareholders of the Company at the 33rd Annual General Meeting of the Company held on 2nd 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 2018-19.

The Cost Audit Report for the financial year 2017-18, which was due to be filed with the Ministry of Corporate Affairs by 25th October, 2018 was filed on 8th October, 2018.

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 2018-19.

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.

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. Resolution of the shareholders is also obtained, wherever necessary, in this regard.

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

PARTICULARS OF EMPLOYEES

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

However, having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information under Explanation (2) to the above Rule is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours (11.00 am to 1.00 pm) 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.

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. 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.

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.

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.

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 also placed on the website of the Company as part of Company's Annual Report 2018-19.

SECRETARIAL STANDARDS

The Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Mumbai
22nd May, 2019

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 Wholetime 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 (02.08.2018)	No. of Equity shares held in the Company **
		Held	Attended		
Mr. R. K. P. Verma (DIN 02166789) (Appointed w.e.f 13.02.2019)	Chairman, Non-Executive Independent Director	6	2	Not Applicable	Nil
Mr. P. M. Kathariya (DIN 00281395) (Appointed w.e.f 13.02.2019)	Non-Executive Independent Director	6	2	Not Applicable	Nil
Ms. Dipti Shah (DIN 07995542)	Non-Executive Independent Director	6	5	Yes	Nil
Mr. Saahil Parikh (DIN 00400079)	Executive, Non Independent Director	6	6	Yes	16842
Mr. Nilesh Jain (DIN 05263110) (Appointed w.e.f 13.02.2019)	Executive, Non Independent Director	6	2	Not Applicable	Nil

Name of the Director	Category	No. of board meetings		Attendance at last AGM (02.08.2018)	No. of Equity shares held in the Company **
		Held	Attended		
Mr. K. C. Jain (DIN 00021239) (Upto 31.03.2019)	Non-Executive Independent Director	6	6	Yes	600
Mr. S. V. Loyalka (DIN 00016533) (Upto 31.03.2019)	Non-Executive Independent Director	6	6	Yes	Nil
Dr. Rajeshwar Singh (DIN 00347864) (Upto 31.03.2019)	Non-Executive Independent Director	6	6	Yes	Nil

** The above shareholding as at 31st March, 2019 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 (Appointed w.e.f 13.02.2019)	1	None	None
Mr. P. M. Kathariya (Appointed w.e.f 13.02.2019)	3	2	None
Ms. Dipti Shah	None	None	None
Mr. Saahil Parikh	None	None	None
Mr. Nilesh Jain (Appointed w.e.f 13.02.2019)	None	None	None
Mr. K. C. Jain (Upto 31.03.2019)	1	None	None
Mr. S. V. Loyalka (Upto 31.03.2019)	7	None	None
Dr. Rajeshwar Singh (Upto 31.03.2019)	None	None	None

Mr. R. K. P. Verma is an Independent Director on the Board of Directors of M/s. Krebs Biochemicals & 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 2018-19 and dates on which held

6 (Six) board meetings were held during the Financial Year 2018-19. The dates on which the said meetings were held are as follows:

23 rd May, 2018	2 nd August, 2018	25 th September, 2018
13 th November, 2018	13 th February, 2019	28 th March, 2019

The last Annual General Meeting of the Company was held on 2nd August, 2018.

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-2018-19.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.

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

None.

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 2018-19

There were 5 (Five) meetings of the Audit Committee during the Financial Year 2018-19. The gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

23 rd May, 2018	2 nd August, 2018	25 th September, 2018
13 th November, 2018	13 th February, 2019	

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 (Appointed as Member w.e.f 01.04.2019)	5	-
Mr. R. K. P. Verma (Appointed as Member w.e.f 01.04.2019)	5	-
Ms. Dipti Shah	5	4
Mr. Nilesh Jain (Appointed as Member w.e.f 01.04.2019)	5	-
Mr. K. C. Jain (Upto 31.03.2019)	5	5
Mr. S. V. Loyalka (Upto 31.03.2019)	5	5
Dr. Rajeshwar Singh (Upto 31.03.2019)	5	5

The previous annual general meeting of the Company was held on 2nd August, 2018 and was attended by Mr. K. C. Jain, the then 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).
- ii. Formulation of criteria for evaluation of Independent Directors and the Board (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).
- iv. Oversee the familiarization programmes for directors (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).

c) Meeting and attendance during the financial year 2018-19

There were 2 (Two) meetings of this Committee during the Financial Year 2018-19. The dates on which the said meetings were held are as follows:

13 th November, 2018	13 th February, 2019
---------------------------------	---------------------------------

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 (Appointed as Member w.e.f 01.04.2019)	2	-
Mr. R. K. P. Verma (Appointed as Member w.e.f 01.04.2019)	2	-
Ms. Dipti Shah (Appointed as Member w.e.f 01.04.2019)	2	-
Mr. K. C. Jain (Upto 31.03.2019)	2	2
Mr. S. V. Loyalka (Upto 31.03.2019)	2	2
Dr. Rajeshwar Singh (Upto 31.03.2019)	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 http://www.makerslabs.com/pdf/Corporate_Policy/Evaluation_of_Directors.pdf).

5. Remuneration of Directors

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

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

b) Criteria of making payments to non-executive directors

The non-executive Directors are paid only sitting fees and re-imbusement 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 2018-19 are as under:

Name of the Director	Sitting fees Paid (₹)	Commission paid (₹)
Mr. R. K. P. Verma (Appointed w.e.f 13.02.2019)	20,000	Nil
Mr. P. M. Kathariya (Appointed w.e.f 13.02.2019)	20,000	Nil
Ms. Dipti Shah	75,000	Nil
Mr. K. C. Jain (Upto 31.03.2019)	1,15,000	Nil
Mr. S. V. Loyalka (Upto 31.03.2019)	1,00,000	Nil
Dr. Rajeshwar Singh (Upto 31.03.2019)	1,15,000	Nil

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

c) Disclosures with respect to remuneration paid / payable to Wholetime Directors for the financial year 2018-19

- i. The details of the remuneration paid/payable to Wholetime Directors for the financial year 2018-19 are given below:

Name of Directors	Salary*	Benefits / Perquisites / Pension etc.*	Commission (performance linked)	Stock Options	Total (₹)
Mr. Saahil Parikh (Wholetime Director/CEO)	25,53,333	15,39,946	Nil	Nil	40,93,279
Mr. Nilesh Jain (Wholetime Director) (Appointed w.e.f 13.02.2019)	2,11,200	2,24,004	Nil	Nil	4,35,204

* 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 11th May, 2017 which is valid upto 10th August, 2020 and with Mr. Nilesh Jain on 13th February, 2019 which is valid upto 12th 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 2018-19

There were 3 (Three) meetings of this committee during the financial year 2018-19. The dates on which the said meetings were held are as follows:

23 rd May, 2018	2 nd August, 2018	13 th February, 2019
----------------------------	------------------------------	---------------------------------

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 (Appointed as Member w.e.f 01.04.2019)	3	-
Mr. P. M. Kathariya (Appointed as Member w.e.f 01.04.2019)	3	-
Mr. Saahil Parikh	3	3
Mr. K. C. Jain (Upto 31.03.2019)	3	3
Dr. Rajeshwar Singh (Upto 31.03.2019)	3	3

Mr. K. C. Jain, the then Chairman of the Committee attended the last Annual General Meeting of the Company held on 2nd August, 2018.

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

d) Number not solved to the satisfaction of shareholders

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

e) Number of pending complaints

Nil

7. General Body Meetings

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

AGM for the financial year ended	Day, Date & Time of AGM	Place of AGM	Special Resolutions Passed
31-3-2018	Thursday, 2 nd 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 th July, 2017 at 11.00 a.m.	Anand Mangal Hall, Plot No. 150, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai- 400 067	None
31-3-2016	Tuesday, 9 th August, 2016 at 11.00 a.m.	Anand Mangal Hall, Plot No. 150, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai- 400 067	None

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

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

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

None.

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 are listed and published in the newspapers after the approval of the Board.
b) Newspapers wherein results normally published	:	The Financial Express, Free Press Journal and Nav Shakti.
c) Website, where displayed	:	www.makerslabs.com
d) Whether website also displays official news releases	:	Yes
e) Presentation made to institutional investors or to the analysts	:	Presentations were not made to institutional investors or analysts during the financial year 2018-19.

9. General Shareholders Information

- a) AGM : Date, Time and Venue : Thursday, 8th August, 2019 at 11.00 a.m. at Anand Mangal Hall, Plot No. 150, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai – 400 067
- b) Financial Year : 1st April –31st March
 First quarter results : first week of August*
 Second quarter results : first week of November*
 Third quarter results : first week of February*
 Annual results : last week of May*
 * tentative
- c) Dividend Payment dates : The Company has not paid any interim dividend on the equity share capital for the financial year 2018-19. It is now proposed to recommend a dividend of ₹ 1/- per share (10%) on equity share capital for the financial year 2018-19 which if sanctioned will be paid on or before 30th August, 2019.
- Date of Book closure : Saturday, 3rd August, 2019 to Thursday, 8th August, 2019 (both days inclusive).

- d) The name and address of each stock exchange(s) at which the Company's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s) : BSE Ltd. (BSE)
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 023
Listing fee has been paid to BSE for the financial year 2019-20 in April, 2019.
- e) Stock code – Physical and ISIN Number for NSDL and CDSL : 506919 on BSE
INE 987A01010
Corporate Identity Number allotted by Ministry of Corporate Affairs : L24230MH1984PLC033389
- f) Market price data: high, low during each month in last financial year : Please see Annexure 'A'
- g) Stock performance in comparison to BSE Sensex : Please see Annexure 'B'
- h) In case the securities are suspended from trading, the directors report shall explain the reason thereof : The securities of the Company are not suspended from trading by the Stock Exchange.
- i) Registrars and share transfer agents : Link Intime India Private Limited
C-101, 247 Park,
LBS Marg, Vikhroli (West)
Mumbai – 400 083
Tel. No. (022) 4918 6000
Fax. No.(022) 4918 6060
- j) Share transfer system : All share transfers subject to correctness and completion of all documents would normally be registered and returned within fifteen days from the date of receipt.
- k) Distribution of shareholding/ shareholding pattern as on 31.3.2019 : Please see Annexure 'C'
- l) Dematerialisation of shares and liquidity : 96.08% of the paid-up share capital has been dematerialised as on 31st March, 2019.
- m) Outstanding GDRs/ADRs/warrants/ convertible instruments, conversion date and likely impact on equity : Not applicable since none of the said instruments are ever issued.
- n) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities : The Company is not materially exposed to commodity price / foreign exchange risk. The Company also does not carry out any commodity or currency hedging activities.
- o) Plant Locations : Plot No. 29/3, Phase III
GIDC Industrial Estate
Naroda, Ahmedabad – 382 330
Gujarat

- p) Address for Correspondence : Ms. Khyati Danani
Company Secretary
Makers Laboratories Limited
54D, Kandivli Industrial Estate
Kandivli (W), Mumbai 400 067
E-mail: investors@makerslabs.com
Tel: (022) 2868 8544
Fax: (022) 2868 8544
- q) 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)
- 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

10. Other Disclosures

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

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

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

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

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

None

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

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

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

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

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

The Company does not have any subsidiary company.

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

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company (Weblink http://www.makerslabs.com/pdf/Corporate_Policy_Related_Party_Transactions.pdf).

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.

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.

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

Number of complaints filed during the financial year	:	None
Number of complaints disposed of during the financial year	:	None
Number of complaints pending as on end of the financial year	:	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.

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. 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 review 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 13th 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 on a quarterly basis and reporting the same to the Board of Directors periodically as it may deem fit, in addition to any other terms as may be referred to them by the Board of Directors, from time to time.

The risk management policy is displayed on the Company's website (weblink http://www.makerslabs.com/pdf/Corporate_Policy/Risk_Management_Policy.pdf).

There was one (1) meeting of the Risk Management Committee held during the financial year 2018-19. The date on which the said meeting was held is as follows:

23 rd May, 2018

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

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Saahil Parikh	1	1
Mr. Nilesh Jain (Appointed w.e.f. 13.02.2019)	1	-
Mr. Sandeep Kadam (Manager Accounts / CFO)	1	1
Ms. Khyati Danani (Company Secretary) (Upto 13.02.2019)	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 http://www.makerslabs.com/pdf/Corporate_Policy/Policy_for_Determination_of_Materiality_of_Event.pdf).
- j) All related party transactions entered into by the Company with related parties are at an arms length basis and in the ordinary course of Company's business. Transactions with related parties are disclosed under notes forming part of the accounts. The Board and the Audit Committee periodically reviews the details of the related party transactions entered into by the Company. Omnibus approval from the Audit Committee is also obtained before entering into related party transactions. 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 Directors are directors in more than eight listed companies or serve as Wholetime Director in any other listed company. None of the Wholetime Directors of the Company serve as Independent Director in more than 3 listed entities.

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

The Shareholders have approved the appointment of Ms. Dipti Shah as Independent director for a term of five consecutive years w.e.f 29th January, 2018. The terms and conditions of her appointment has been disclosed on the website of the Company www.makerslabs.com.

Mr. R. K. P. Verma and Mr. P. M. Kathariya were appointed as Independent Directors of the Company for a period of five consecutive years w.e.f 13th February, 2019. Terms and conditions of their appointment as Independent Directors are posted on the Company's website. Necessary approval of the shareholders for their appointment as Independent Directors is being sought at the ensuing Annual General Meeting of the Company.

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and the rules made thereunder.

Mr. Nilesh Jain was appointed as Wholetime Director of the Company for a period of 3 years w.e.f. 13th February, 2019.

The term of Mr. K. C. Jain, Mr. S. V. Loyalka and Dr. Rajeshwar Singh as Independent Directors came to an end on 31st March, 2019. They have informed the Company of their inability to continue / be re-appointed as Director / Independent Director of the Company upon completion of their said term on 31st March, 2019. Accordingly, the Board of Directors of the Company at their meeting held on 28th March, 2019 have accepted their resignation as Directors / Independent Directors of the Company and accordingly they have ceased to be the Directors of the Company with effect from 1st April, 2019.

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 22nd May, 2019.

- n) Independent Directors Meeting

During the financial year under review, the Independent Directors met on 13th February, 2019 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; and
- ii. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the then independent Directors were present at the said meeting.

- o) The Company maintains a functional website (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 Directors retiring by rotation and seeking appointment / re-appointment

Mr. R. K. P. Verma (DIN 02166789)

Mr. R. K. P. Verma aged 69 years holds a Masters degree in Business Management and holds a Post Graduate Diploma in Industrial Relations and Personnel Management.

He has varied industry experience of nearly 4 decades mostly in the pharmaceuticals industry. He was the Managing Director of Goa Antibiotics & Pharmaceuticals Ltd. (June 1999 to February 2001) and Managing Director of Tonira Pharma Ltd. (November 2007 to May 2011).

He was also the Managing Director of the Company between February 2001 to August 2004. Currently he is practicing as a Management Consultant and mentor to start-ups.

He does not hold any equity shares in the Company.

He is also an Independent Director of Krebs Biochemicals & Industries Limited, a listed Indian Company.

He is not a member of any Committee of the Board in other companies in which he is a Director.

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

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

Mr. P. M. Kathariya (DIN 00281395)

Mr. P. M. Kathariya aged 65 years is a law graduate and a practicing Chartered Accountant by profession.

He is enriched with more than 40 years of experience in the field of Accounts, Audits, Taxation, advisory services including in the field of legal compliances for companies from diverse industries across different geographies. He has been instrumental in handling various cases which includes providing advisory services on critical tax issues that relate to Income Tax Assessments and Scrutiny, etc.

He does not hold any equity shares in the Company.

He is also a Director of the following companies

Avik Pharmaceutical Ltd.	Sam Tax & Finance Services Pvt. Ltd.
Ravi Kumar Distilleries Ltd.	

He is an Independent Director of M/s. Ravi Kumar Distilleries Ltd., a listed company. He is also a member of Audit Committee of the said company. He is also a Director of M/s. Avik Pharmaceutical Ltd., unlisted public limited company. He is also a member of the Audit Committee of the said company.

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

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

Mr. Nilesh Jain (DIN 05263110)

Mr. Nilesh Jain, aged 43 years is by qualification a Commerce Graduate (B. Com) and MMS (Masters in Management Studies) from Mumbai University.

He has nearly 23 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 does not hold directorship in any other company.

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

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

Mr. Saahil Parikh (DIN 00400079)

Mr. Saahil Parikh aged 44 years has done his Bio-Chemistry from Gujarat University. He has also done his Diploma in Management Studies from Ahmedabad Management Association. He has about 22 years of experience in pharma production, quality control, projects and general management.

He holds 16,842 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.

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/Corporate_Policy_Dividend_Distribution_Policy.pdf).

Annexure A

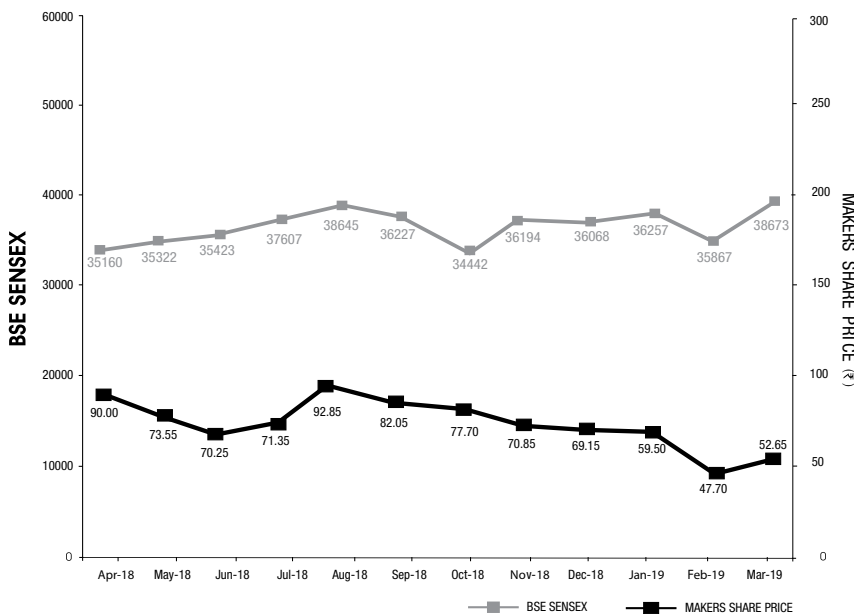
High/Low of Market price of the Company's shares traded on BSE Ltd. (BSE) during the financial year 2018-19 is furnished below:

Year	Month	Highest (₹)	Lowest (₹)	
2018	April	100.50	74.30	
	May	91.05	73.35	
	June	84.40	69.00	
	July	79.40	63.20	
	August	98.00	71.50	
	September	116.85	81.75	
	October	82.70	67.05	
	November	81.30	68.40	
	December	74.00	65.70	
	2019	January	70.00	58.70
		February	67.75	42.00
		March	65.40	47.70

Annexure B

Graph of Share Price/ BSE Sensex

BSE Sensex / Share Price



Annexure C

The distribution of shareholding as on 31 st March, 2019 is as follows :						
No. of equity shares held			No. of shareholders	%	No. of shares	%
Upto		500	3513	84.41	555422	11.30
501	to	1000	361	8.67	281403	5.72
1001	to	2000	155	3.72	233908	4.76
2001	to	3000	46	1.10	117616	2.40
3001	to	4000	9	0.22	31505	0.64
4001	to	5000	20	0.48	89667	1.82
5001	to	10000	29	0.70	187591	3.81
10001	&	above	29	0.70	3419868	69.55
Grand Total			4162	100.00	4916980	100.00
No. of shareholders in Physical Mode			854	20.52	192538	3.92
No. of shareholders in Electronic Mode			3308	79.48	4724442	96.08

Shareholding pattern as on 31 st March, 2019 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
FIs and Mutual Funds	0	0	0.00
NRI	57	28665	0.58
Domestic Companies	44	77270	1.57
Resident Individuals / Others	4048	1940998	39.48
Total	4162	4916980	100.00

CEO CERTIFICATION

To,

22nd May, 2019

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 31st March, 2019.

For Makers Laboratories Limited

Saahil Parikh
Wholetime Director / CEO

CEO/CFO CERTIFICATION

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

22nd May, 2019

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2019 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 Limited

Saahil Parikh
Wholetime Director / CEO

Sandeep Kadam
Manager - Accounts / CFO

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

TO THE MEMBERS OF
MAKERS LABORATORIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by Makers Laboratories Limited ('the Company') for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

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

For Parikh & Associates
Practising Company Secretaries

Jigyasa N. Ved
Partner
FCS: 6488 CP: 6018

Mumbai, May 22, 2019

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 – 52,848 No. of shareholders - 318
b)	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	1
c)	Number of shareholders to whom shares were transferred from suspense account during the year	1
d)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	No. of shares – 2,400 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

Note : 50,388 equity shares from suspense account were transferred to IEPF.

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: 27th May, 2016
 - (f) Date of approval of shareholders: 9th August, 2016
 - (g) Amount paid as advances, if any: None

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

For and on behalf of the Board

Mumbai,
22nd May, 2019

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 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 is as under:

Sr. No.	Name of the Director / Key Managerial Personnel and Designation	Remuneration of Director / KMP for the financial year 2018-19 (₹)	% increase/ (decrease) in remuneration in the financial year 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Saahil Parikh (Whole Time Director/CEO)	40,93,279	9.15%	18.46
2.	Mr. Nilesh Jain (Whole Time Director) (Appointed as Director w.e.f 13.02.2019)	4,35,204	-	-
3.	Mr. Sandeep Kadam (Manager Accounts / CFO)	8,26,940	Not measurable as previous year remuneration was for part of the year	3.73
4.	Mr. R. K. P. Verma (Chairman) (Appointed as Director w.e.f 13.02.2019)	20,000	-	-
5.	Mr. P. M. Kathariya (Director) (Appointed as Director w.e.f 13.02.2019)	20,000	-	-
6.	Ms. Dipti Shah (Director)	75,000	Not measurable as previous year sitting fees were for part of the year	0.34
7.	Mr. K. C. Jain (Director) (Upto 31.03.2019)	1,15,000	(4.17%)	0.52
8.	Mr. S. V. Loyalka (Director) (Upto 31.03.2019)	1,00,000	5.26%	0.45
9.	Dr Rajeshwar Singh (Director) (Upto 31.03.2019)	1,15,000	(4.17%)	0.52
10.	Ms. Khyati Danani (Company Secretary)	11,24,164	7.50%	5.07

- ii. The median remuneration of the employees of the Company during the financial year was ₹ 2,21,712/-.
- iii. In the financial year, there was an increase of 7.47% in the median remuneration of employees.
- iv. There were 114 permanent employees on the rolls of Company as on 31st March, 2019.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 10.27% whereas the decrease in the managerial remuneration for the same financial year was 50%.

- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Mumbai,
22nd May, 2019

For and on behalf of the Board
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 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 formulations initially for the domestic market.

(D) Expenditure incurred on R&D:

	2018-19 (₹ lacs)	2017-18 (₹ lacs)
a) Capital	8.02	22.24
b) Revenue	23.85	16.25
c) Total	31.87	38.49
d) R & D expenditure as a percentage of turnover	0.68%	0.69%

(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 - ₹ 1,12,65,658/- (including ₹ 1,12,00,016 being CIF value of capital goods import).

Mumbai,
22nd May, 2019

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 31st March, 2019
[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 – 400 067.
Tel: 022 – 2868 8544; e-mail: investors@makerslabs.com; website: www.makerslabs.com
- vi) Whether listed company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.
Tel: 022 – 4918 6000; e-mail: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(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....	--	--	--	--	--	--	--	--	--
Sub-total (A) (1):-	2869947	--	2869947	58.37	2869947	--	2869947	58.37	--

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1) + A)(2)	2869947	--	2869947	58.37	2869947	--	2869947	58.37	--
B. Public Shareholding									
(1) Institutions									
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) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	100	--	100	0.00	100	--	100	0.00	--
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	96441	1350	97791	1.99	76320	950	77270	1.57	(0.42)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1166332	190280	1356612	27.59	1198819	143978	1342797	27.31	(0.28)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	330808	10650	341458	6.94	320010	41310	361320	7.35	0.41
c) Others (specify)									
(c-i) Clearing Member	10597	--	10597	0.22	18851	--	18851	0.38	0.16
(c-ii) Market Maker	540	--	540	0.01	0	--	0	0	(0.01)
(c-iii) HUF	71528	--	71528	1.45	86150	--	86150	1.75	0.30
(c-iv) Foreign Holding									
NRI (Repatriate)	15822	43020	58842	1.20	15352	6300	21652	0.44	(0.76)
NRI (Non Repatriate)	8259	--	8259	0.17	7013	--	7013	0.14	(0.03)
(c-v) Unclaimed Shares Suspense A/c	52848	--	52848	1.07	2400	--	2400	0.05	(1.02)
(c-vi) IEPF Authority	48458	--	48458	0.99	129480	--	129480	2.63	1.64
Sub-total (B)(2):-	1801633	245300	2046933	41.63	1854395	192538	2046933	41.63	--
Total Public Shareholding (B)=(B)(1) + (B)(2)	1801733	245300	2047033	41.63	1854495	192538	2047033	41.63	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	4671680	245300	4916980	100.00	4724442	192538	4916980	100.00	--

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)			Share holding at the end of the year (31.03.2019)			% 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)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year (01.04.2018)	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 (31.03.2019)	--	--	2869947	58.37

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

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

Sl. No.	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Vara Lakshmi G					
	At the beginning of the year	01.04.2018	122159	2.48	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	24.08.2018	(1459)	(0.03)	120700	2.45
		31.08.2018	3033	0.06	123733	2.52
		07.09.2018	4543	0.09	128276	2.61
		21.09.2018	(64628)	(1.31)	63648	1.29
	29.09.2018	30771	0.63	94419	1.92	
	At the End of the year	31.03.2019	--	--	94419	1.92
2.	Neelima Karlapudi					
	At the beginning of the year	01.04.2018	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	31.03.2019	--	--	65510	1.33

Sl. No.	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	Rambabu Veldi					
	At the beginning of the year	01.04.2018	52841	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):	03.08.2018	(249)	(0.01)	52592	1.07
		10.08.2018	(11)	(0.00)	52581	1.07
	At the End of the year	31.03.2019	--	--	52581	1.07
4.	Mudra Financial Services Limited					
	At the beginning of the year	01.04.2018	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	31.03.2019	--	--	31781
5.	Puthanmadathil Usha Eswar					
	At the beginning of the year	01.04.2018	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):	02.11.2018	30000	0.61	--	--
		At the End of the year	31.03.2019	--	--	30000
6.	Rajasekhar Guttikonda					
	At the beginning of the year	01.04.2018	26198	0.53	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	21.09.2018	(12946)	(0.26)	13252	0.27
		At the End of the year	31.03.2019	--	--	13252
7.	Sunil K Mehta					
	At the beginning of the year	01.04.2018	21500	0.44	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	04.05.2018	500	0.01	22000	0.45
		18.05.2018	500	0.01	22500	0.46
		21.09.2018	(1000)	(0.02)	21500	0.44
		05.10.2018	1000	0.02	22500	0.46
		12.10.2018	500	0.01	23000	0.47
		23.11.2018	320	0.01	23320	0.47
		30.11.2018	180	0.00	23500	0.48
At the End of the year	31.03.2019	--	--	23500	0.48	
8	Suresh Bhoorchand Shah					
	At the beginning of the year	01.04.2018	21268	0.43		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	27.04.2018	(2000)	(0.04)	19268	0.39
		At the End of the year	31.03.2019	--	--	19268

Sl. No.	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9.	Zaki Abbas Nasser					
	At the beginning of the year	01.04.2018	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):	27.04.2018	20000	0.41	20000	0.41
	At the End of the year	21.09.2018	10000	0.20	30000	0.61
10.	Vimal Jindal					
	At the beginning of the year	01.04.2018	5000	0.10	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	09.11.2018	10000	0.20	15000	0.31
	At the End of the year	31.03.2019	--	--	15000	0.31
11.	Shree Naman Securities and Finance Private Limited					
	At the beginning of the year	01.04.2018	--	--	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	29.03.2019	13000	0.26	--	--
	At the End of the year	31.03.2019	--	--	13000	0.26
12.	G V Eswar					
	At the beginning of the year	01.04.2018	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):	02.11.2018	(30000)	(0.61)	0	0
	At the End of the year	31.03.2019	--	--	0	0

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. K.C. Jain Independent Director (upto 31.03.2019)					
	At the beginning of the year	01.04.2018	600	0.01	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--	--
	At the End of the year	31.03.2019	--	--	600	0.01
2.	Mr. S. V. Loyalka Independent Director (upto 31.03.2019)					
	At the beginning of the year	01.04.2018	--	--	--	--
	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	31.03.2019	--	--	--	--

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
3.	Dr. Rajeshwar Singh Independent Director (upto 31.03.2019)					
	At the beginning of the year	01.04.2018	--	--	--	--
	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	31.03.2019	--	--	--	--
4.	Ms. Dipti Shah Independent Director					
	At the beginning of the year	01.04.2018	--	--	--	--
	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	31.03.2019	--	--	--	--
5.	Mr. R. K. P. Verma Independent Director (w.e.f. 13.02.2019)					
	At the beginning of the year	01.04.2018	--	--	--	--
	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	31.03.2019	--	--	--	--
6.	Mr. P. M. Kathariya Independent Director (w.e.f. 13.02.2019)					
	At the beginning of the year	01.04.2018	--	--	--	--
	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	31.03.2019	--	--	--	--
7.	Mr. Saahil Parikh Wholetime Director / CEO					
	At the beginning of the year	01.04.2018	660	0.01	--	--
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	08.06.2018	12000	0.24	12660	0.25
		21.09.2018	4182	0.09	16842	0.34
	At the End of the year	31.03.2019	--	--	16842	0.34
8.	Mr. Nilesh Jain Wholetime Director (w.e.f. 13.02.2019)					
	At the beginning of the year	01.04.2018	--	--	--	--
	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	31.03.2019	--	--	--	--

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
9.	Mr. Sandeep Kadam Manager –Accounts/CFO					
	At the beginning of the year	01.04.2018	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	31.03.2019	--	--	400	0.01
10.	Ms. Khyati Danani Company Secretary					
	At the beginning of the year	01.04.2018	--	--	--	--
	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	31.03.2019	--	--	--	--

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans (₹)	Deposits	Total Indebtedness (₹)
Indebtedness at the beginning of the financial year (01.04.2018)				
i) Principal Amount	--	1,28,93,304	--	1,28,93,304
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	1,28,93,304	--	1,28,93,304
Change in Indebtedness during the financial year				
• Addition	--	--	--	--
• Reduction	--	1,27,34,779	--	1,27,34,779
Net Change	--	1,27,34,779	--	1,27,34,779
Indebtedness at the end of the financial year (31.03.2019)				
i) Principal Amount	--	1,58,525	--	1,58,525
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	1,58,525	--	1,58,525

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 (w.e.f. 13.02.2019)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,53,333	2,11,200	27,64,533
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,39,946	2,24,004	17,63,950
	(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)	40,93,279	4,35,204	45,28,483
	Ceiling as per the Act	₹ 37.47 Lakhs (being 10% of the profits of the Company calculated as per the Section 197 and 198 of the Companies Act, 2013). However, the remuneration paid is within the prescribed limits under Schedule V of the Companies Act, 2013 and SEBI (LODR) Regulations.		

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount (₹)
		Mr. K. C. Jain (upto 31.03.2019)	Mr. S. V. Loyalka (upto 31.03.2019)	Dr. Rajeshwar Singh (upto 31.03.2019)	Ms. Dipti Shah	Mr. R. K. P. Verma (w.e.f. 13.02.2019)	Mr. P. M. Kathariya (w.e.f. 13.02.2019)	
1.	Independent Directors							
	• Fee for attending board/ committee meetings	1,15,000	1,00,000	1,15,000	75,000	20,000	20,000	4,45,000
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	1,15,000	1,00,000	1,15,000	75,000	20,000	20,000	4,45,000
2.	Other Non-Executive Directors							
	• Fee for attending board / committee meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	1,15,000	1,00,000	1,15,000	75,000	20,000	20,000	4,45,000
	Total Managerial Remuneration	-	-	-	-	-	-	49,73,483
	Overall Ceiling as per the Act	11% of the net profit as per Section 197 and 198 of the Act – ₹ 41.22 Lakhs. 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	8,26,940	11,24,164	19,51,104
	(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	8,26,940	11,24,164	19,51,104

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Mumbai,
22nd May, 2019

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, 2019**

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

To,
The Members,
Makers Laboratories Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019, 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 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 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, 1998; 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, and
 - (5) Drug Pricing Control Order, 2013.

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

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

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

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

For Parikh & Associates
Company Secretaries

Place: Mumbai

Date : 22.05.2019

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

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

'Annexure A'

To,
The Members
Makers Laboratories Limited

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

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

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date : 22.05.2019

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

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, 2019, 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, 2019, 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 the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Response to Key Audit Matter
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers” (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p>Principal Audit Procedures</p> <p>We assessed the Company’s process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <p>Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</p> <p>Selected a sample of continuing and new agreements and the supporting circulars of the super stockists, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</p> <p>Selected a sample of continuing and new agreements and circulars and performed the following procedures:</p> <p>Read, analysed and identified the distinct performance obligations in these agreements and circulars.</p> <p>Compared these performance obligations with that identified and recorded by the Company.</p> <p>Considered the terms of the agreements and circulars to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration, if any.</p>

Other Information

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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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
Membership No. 40441

Mumbai,
Dated: May 22, 2019

ANNEXURE - A TO THE AUDITOR'S REPORT

- (i) a. The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b. Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
 - c. We have verified the title deeds of immovable properties forming part of Fixed Assets produced before us by the management and based on such verification we confirm that the same are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year. The discrepancies noticed between the book stock and the physical stocks were not material and they have been properly dealt with in the books of accounts.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013 and hence the sub clauses (a) and (b) of clause 3(iii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantees and security given.
- (v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.
- (vi) As informed to us, the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.
- (vii) a. The Company has been regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess, 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, 2019 for a period of more than six months from the date of becoming payable.
 - b. According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Duty of Customs or Duty of Excise or Value Added Tax which have not been deposited on account of any dispute except as given below:

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

- (viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to the financial institution or banks. Further, the company has not obtained any borrowings by way of debentures.
- (ix) The company has not raised any money by way of public issue / follow-on offer (including debt instruments). 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
Membership No. 40441

Mumbai,
Dated: May 22, 2019

ANNEXURE - B TO THE AUDITOR'S 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, 2019 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, 2019, 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.

Mumbai,
Dated: May 22, 2019

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

Balance Sheet as at March 31, 2019

Particulars	Note	As at Mar 31, 2019 ₹ in lacs	As at Mar 31, 2018 ₹ in lacs
ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipment	1	1,809.53	1,661.12
(b) Capital Work-in-Progress		642.12	10.71
(c) Other Intangible Assets	1A	0.27	0.46
(d) Financial Assets			
(i) Investments	2	1,116.48	817.50
(ii) Loans	3	35.12	22.38
(iii) Others	4	1.05	11.31
(e) Other Non-current Assets	5	118.01	41.33
		3,722.58	2,564.81
(2) Current Assets			
(a) Inventories	6	1,164.52	1,334.56
(b) Financial Assets			
(i) Investments	2A	-	100.19
(ii) Trade Receivables	7	501.75	1,121.58
(iii) Cash and Cash Equivalents	8	216.04	16.08
(iv) Bank Balances other than (iii) above	9	9.27	7.34
(v) Loans	3	1.15	1.30
(vi) Others	4	44.67	46.27
(c) Current Tax Assets (Net)		-	-
(d) Other Current Assets	5	341.32	137.13
		2,278.72	2,764.45
TOTAL ASSETS		6,001.30	5,329.26
EQUITY & LIABILITIES			
EQUITY			
(a) Equity Share Capital	10	491.70	491.70
(b) Other Equity	11	3,678.46	3,190.49
Total Equity		4,170.16	3,682.19
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	597.04	-
(ii) Other Financial Liabilities	13	-	-
(b) Provisions	14	17.33	18.99
(c) Deferred Tax Liabilities (Net)	15	87.87	73.79
(d) Other Non-current Liabilities	16	-	-
		702.24	92.78
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	1.59	128.93
(ii) Trade Payables	17		
- Due to Micro, Small and Medium Enterprises		75.85	-
- Due to Others		317.17	668.10
(iii) Other Financial Liabilities	13	559.15	633.67
(b) Other Current Liabilities	16	26.02	15.88
(c) Provisions	14	120.36	95.43
(d) Current Tax Liabilities (Net)	18	28.76	12.28
		1,128.90	1,554.29
TOTAL EQUITY AND LIABILITIES		6,001.30	5,329.26

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

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

N. Jayendran
Partner
M.No. 40441
Mumbai May 22, 2019

For and on behalf of the Board of Directors

Saahil Parikh
(DIN 00400079)
Wholetime Director

Khyati Danani
(ACS 21844)
Company Secretary

Nilesh Jain
(DIN 05263110)
Wholetime Director

Sandeep Kadam
CFO

Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Note	2018-19	2017-18
		₹ in lacs	₹ in lacs
I Revenue from Operations	19	4,662.50	5,616.53
II Other Income	20	257.17	175.82
III Total Income (I + II)		4,919.67	5,792.35
IV Expenses:			
Cost of Materials Consumed	21	1,283.34	1,814.44
Purchase of Stock in trade	22	1,588.38	2,117.92
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	8.09	(340.48)
Excise Duty		-	21.95
Employee Benefit Expenses	24	701.29	628.51
Finance Cost	25	25.41	35.82
Depreciation & Amortisation	26	150.28	157.15
Other Expenses	27	861.26	933.49
Total Expenses (IV)		4,618.05	5,368.80
V Profit Before exceptional items and Tax (III-IV)		301.62	423.55
VI Exceptional Items		-	-
VII Profit Before Tax (V+VI)		301.62	423.55
VIII Tax Expense:			
1. Current Tax	28	76.70	136.17
2. Short / Excess Provision of earlier years	28	-	(5.28)
3. Deferred Tax Liability / (Asset) incl. MAT Credit	28	(19.96)	(13.03)
IX Profit for the period (VII-VIII)		244.88	305.69
X Other Comprehensive Income:			
(a) Actuarial gain and loss		(0.73)	(0.52)
Tax Effect thereon	28A	0.20	0.17
(b) Fair Value change through Other Comprehensive Income		322.34	36.42
Tax Effect thereon	28A	(34.04)	(6.76)
Other Comprehensive Income for the year, net of tax		287.77	29.31
Total Comprehensive Income for the year		532.65	335.00
XI Earnings per Equity Share :			
Par Value ₹ 10 each			
Basic (in ₹)	29	4.98	6.22
Diluted (in ₹)	29	4.98	6.22

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

As per our report of even date attached

For **Natvarlal Vepari & Co.**

Chartered Accountants

Firm Registration No. 106971W

N. Jayendran

Partner

M.No. 40441

Mumbai May 22, 2019

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(DIN 05263110)

Wholetime Director

Sandeep Kadam

CFO

Cash Flow Statement for the year ended March 31, 2019

<u>Particulars</u>	<u>2018-19</u> ₹ in lacs	<u>2017-18</u> ₹ in lacs
A. Cash Flow from Operating Activities		
1) Net profit before taxation and extraordinary item	301.62	423.55
Adjustments for :		
Depreciation	150.28	157.15
(Profit)/ Loss on sale of Property, Plant & Equipment	0.55	6.53
Property, plant & equipment scrapped	0.09	9.49
Bad debts w/off	13.13	9.02
Reversal of provision for Doubtful debts	(11.61)	(6.46)
MTM Loss on Equity Shares FVTPL	23.35	7.92
Interest income	(29.00)	(22.40)
Dividend income	(20.60)	(19.17)
Interest expense	25.41	35.82
	151.60	177.90
2) Operating profit before working capital changes	453.22	601.45
(Increase) / Decrease in Receivables & Advances	383.41	(35.88)
Decrease / (Increase) in inventories	170.04	(535.33)
Increase / (decrease) in liabilities & provisions	(379.13)	127.35
	174.32	(443.86)
3) Cash generated from operation	627.54	157.59
Income tax paid (net)	(88.79)	(136.41)
Net cash from operating activities	538.75	21.18
B. Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment incl. capital WIP	(892.47)	(209.57)
Proceeds from Sale of Plant, Property and Equipment	3.37	39.38
Investment in shares	-	(77.38)
Movement in other bank balances	(1.93)	0.42
Term Deposits	10.26	(0.71)
Interest received	29.43	22.32
Dividend received	20.60	19.17
Net cash from / (used) in investing activities	(830.74)	(206.37)
C. Cash Flow from Financing Activities		
Interest paid	(20.59)	(35.82)
Borrowings from bank	597.04	-
Repayment of Working Capital Facility	(127.34)	(14.31)
Dividend & dividend tax paid	(57.35)	(59.18)
Net cash from (used in) financing activities	391.76	(109.31)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	99.77	(294.50)
Cash and cash equivalents at beginning of year	116.27	410.77
Cash and cash equivalents at end of year	216.04	116.27
Components of cash & cash equivalents :		
Cash and cheques on hand	0.43	0.27
Balance with banks	15.61	15.81
Fixed Deposit	200.00	-
Mutual funds	-	100.19
	216.04	116.27

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

N. Jayendran
Partner
M.No. 40441
Mumbai May 22, 2019

For and on behalf of the Board of Directors

Saahil Parikh
(DIN 00400079)
Wholetime Director

Khyati Danani
(ACS 21844)
Company Secretary

Nilesh Jain
(DIN 05263110)
Wholetime Director

Sandeep Kadam
CFO

Statement of Changes in Equity for the year ended March 31, 2019

Equity Share Capital

Equity share capital of face value (₹) 10.00 each
 Balance as at March 31, 2017
 Changes in equity share capital during the year
 Balance as at March 31, 2018
 Changes in equity share capital during the year
Balance as at March 31, 2019

	No. of shares	₹ in Lacs
	49,16,980	491.70
	-	-
	49,16,980	491.70
	-	-
	49,16,980	491.70

Other Equity

Particulars

Particulars	Other Equity			Other comprehensive income	Total
	Reserves and Surplus	Securities Premium	General Reserve		
Balance as on March 31, 2017	302.76	108.64	1,200.00	478.00	2,914.67
Profit for the period	-	-	-	-	305.69
Gain/ (Loss) on Fair Value of Investment through OCI	-	-	-	29.66	29.66
(Net of tax thereon)	-	-	-	-	(0.35)
Actuarial gain/(loss) on gratuity (Net of tax thereon)	-	-	-	-	(49.17)
Dividend	-	-	-	-	(10.01)
Tax on dividend	-	-	-	-	(10.01)
Balance as on March 31, 2018	302.76	108.64	1,200.00	507.66	3,190.49
Profit for the period	-	-	-	-	244.88
Gain/ (Loss) on Fair Value of Investment through OCI	-	-	-	288.30	288.30
(Net of tax thereon)	-	-	-	-	(0.53)
Actuarial gain/(loss) on gratuity (Net of tax thereon)	-	-	-	-	14.59
Cumulative catch-up impact of IndAS 115	-	-	-	-	(49.17)
Dividend	-	-	-	-	(10.11)
Tax on dividend	-	-	-	-	(10.11)
Balance as on March 31, 2019	302.76	108.64	1,200.00	795.96	3,678.46

As per our report of even date attached

For **Natvarial Vepari & Co.**

Chartered Accountants
 Firm Registration No. 106971W

N. Jayendran

Partner

M.No. 40441

Mumbai May 22, 2019

For and on behalf of the Board of Directors

Saahil Parikh

(DIN 00400079)
 Wholetime Director

Khyati Danani

(ACS 21844)
 Company Secretary

Nilesh Jain

(DIN 05263110)
 Wholetime Director

Sandeep Katlam

CFO

Statement of Significant Accounting policies and Other Explanatory Notes

(A) Corporate Information

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

The financial statements of the company for the year ended March 31, 2019 were authorised for issue in accordance with the resolution passed at the meeting of the Board of Directors held on May 22, 2019.

(B) Significant Accounting Policies

1) Basis of Preparation

a) New standards and interpretations not yet adopted

(i) Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- i. Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- ii. Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as its carrying amount as if the standard had been applied since the commencement date, but discounted at 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 related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

The effect of adoption as on transition date would result in an increase in Right of use asset and an increase in lease liability.

(ii) Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

- **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

- **Amendment to Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

(iii) Amendment to Ind AS 19 Plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

1. To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
2. To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

(iv) Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation

payments. The company does not expect this amendment to have any impact on its financial statements.

(v) Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect any impact from this amendment.

(vi) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not currently have any long-term interests in associates and joint ventures.

(vii) Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

b) Statement of compliance responsibility statement

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

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.

Functional and presentation currency: The Financial statements are prepared in Indian Rupees (INR), which is also the Company's functional currency. These financial statements are presented in Indian Rupees (rounded off to nearest lakhs, unless otherwise stated)

c) Basis of measurement

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting except for certain financial assets and liabilities as disclosed in Financial statements.

d) Use of judgements, estimates and assumptions

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the accounting policies and the reported amounts of revenues, expenses, assets and liabilities. Actual results may defer from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in current and future periods.

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Useful lives of property, plant and equipment assets

The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Company's assets are estimated by Management at the time the asset is acquired and reviewed during each financial year.

(ii) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

(iii) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

(iv) Employee Benefit Plans

The cost of defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. However, any changes in these assumptions may have impact on the reported amount of obligation and expenses.

(v) Taxes

Significant judgements are involved in determining the provision for income taxes and deferred taxes including the amount expected to be paid or involved expected to be paid or recovered in connection with uncertain tax positions.

(vi) Financial assets and Financial liabilities

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

II) Summary of significant accounting policies

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

(a) Current and non-current classification

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

An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
- It is held primarily for the purpose of trading or

- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

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

The Company classifies all other liabilities as non-current.

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

(b) Property, Plant and Equipment

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

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

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

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

(c) Non-Current Assets held for Sale

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

(d) Intangible assets

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

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

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

Intangible Assets	Estimated useful life (Years)
Brands and 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 or loss when the asset is derecognised.

(e) Borrowings

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

(f) Impairment Loss

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

(g) Inventories

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

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

(h) Cash and cash equivalents

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

(i) Provisions

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

(j) Retirement and other benefits

Provident Fund

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

Gratuity

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

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

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

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

Compensated Absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using

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

(k) Fair Value Measurement

The Company measures financial instruments, such as Equity Instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

(l) Financial Instruments

Financial Assets & Financial Liabilities

Initial recognition and measurement

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

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

Subsequent Measurement

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

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

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

Impairment of financial assets

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

Derecognition of financial instruments

A financial asset is derecognised only when

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

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

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

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

(m) Revenue Recognition**Revenue from Operations**

The company earns revenue primarily from sale of pharmaceutical products and Service income in the form of manufacturing charges.

Effective April 1, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18. The company has adopted Ind AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18. The adoption of Ind AS 115 does not have significant effect on the financial results.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognized at point in time when the performance obligation with respect to Sale of Pharmaceutical products or rendering of manufacturing of services to the Customer which is the point in time when the customer receives the goods and services.

Revenue from related parties is recognized based on transaction price which is at arm's length.

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, product expiry on transfer of significant risk and rewards in respect of ownership to the buyer which is generally on dispatch of goods. goods returns and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

Revenue from services is recognised when all relevant activities are completed and the right to receive income is established.

Use of significant judgements in revenue recognition

- The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Other Operating Income / Other Income

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

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

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the right to receive the same is established.

Current investments are marked to market at the end of the relevant period and the resultant gains or losses are recognised in the Income statement.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

(n) Taxes**Tax expenses comprise Current Tax and Deferred Tax****i) Current Tax**

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

ii) Deferred Tax

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

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

iii) MAT Credit

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

(o) Leases**Operating lease**

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

(p) Research and Development

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

(q) Earnings Per Share

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

(r) Dividend Distribution

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

Notes to financial statements as at and for the year ended March 31, 2019

1 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
Gross Block									
As on 31/03/2017	210.23	945.40	582.39	4.25	2.83	33.74	18.56	35.60	1,833.00
Additions	-	32.52	55.98	1.67	-	2.03	25.36	22.24	139.80
Disposals / Adjustments	-	(13.76)	(40.50)	-	-	-	(9.25)	-	(63.51)
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
Accumulated Depreciation									
As on 31/03/2017	-	21.16	69.11	1.60	0.51	5.90	4.97	1.13	104.38
For the year 2017-18	-	33.85	97.62	1.37	0.42	8.02	5.32	9.49	156.09
Disposals / Adjustments	-	(2.42)	(6.34)	-	-	-	(3.54)	-	(12.30)
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	150.09
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
Net Block as on 31/03/2018	210.23	911.57	437.48	2.95	1.90	21.85	27.92	47.22	1,661.12
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

1A Other Intangible Assets

Particulars	₹ in Lacs		
	Computer Software	Brand / Trade Mark	Total
Gross Block			
As on 01/04/2017	4.75	0.13	4.88
Additions	-	-	-
Disposals / Adjustments	-	-	-
As on 31/03/2018	4.75	0.13	4.88
Additions	-	-	-
Disposals / Adjustments	-	-	-
As on 31/03/2019	4.75	0.13	4.88
Accumulated Amortisation			
As on 01/04/2017	3.23	0.13	3.36
For the year 2017-18	1.06	-	1.06
Disposals / Adjustments	-	-	-
As on 31/03/2018	4.29	0.13	4.42
For the year 2018-2019	0.19	-	0.19
Disposals / Adjustments	-	-	-
As on 31/03/2019	4.48	0.13	4.61
Net Block as on 31/03/2018	0.46	-	0.46
Net Block as on 31/03/2019	0.27	-	0.27

Financial Assets - Investments

Particulars	₹ in Lacs	
	As at 31/03/2019	As at 31/03/2018
2 Non-current Investments		
Investment in Equity Instruments measured at Fair value through OCI	1,070.37	748.03
Investment in Equity Instruments measured at Fair value through PL	46.11	69.46
Total	1,116.48	817.50
2A Current Investments		
Investment in Mutual fund measured at Fair Value through PL	-	100.19
Total	-	100.19

2 Non-current Investments

Sr. No.	Name of the Body Corporate	Face Value per Equity Instrument (₹)	Number Of Equity Instruments		₹ in Lacs	
			31/03/2019	31/03/2018	31/03/2019	31/03/2018
Investments measured at fair value through OCI (fully paid)						
Unquoted equity shares						
1	Mexin Medicaments. Pvt Ltd	100	11,990	11,990	73.99	82.68
2	Ellora Organics Pvt Ltd	100	1,610	1,610	-	-
Quoted equity shares						
3	Ipca Laboratories Ltd	2	1,01,480	1,01,480	996.38	665.35
Investments measured at fair value through P&L (fully paid)						
Quoted equity shares						
1	Vedanta Ltd	10	25,000	25,000	46.11	69.46
					1,116.48	817.50

(i) Aggregate value of investments
Particulars

	₹ in Lacs	
	31/03/2019	31/03/2018
Aggregate amount of quoted investments	1,042.49	734.82
Aggregate market value of quoted investments	1,042.49	734.82
Aggregate amount of unquoted investments	73.99	82.68

2A Current Investments

Sr. No.	Particulars	Units		₹ in Lacs	
		As at 31/03/2019	As at 31/03/2018	As at 31/03/2019	As at 31/03/2018
Investments in Mutual Fund					
Investments measured at fair value through P&L					
1	Kotak Mutual Fund	-	9,904	-	100.19
Total		-	9,904	-	100.19

(ii) Aggregate value of investments
Particulars

	₹ in Lacs	
	31/03/2019	31/03/2018
Aggregate amount of quoted investments	-	100.19
Aggregate market value of quoted investments	-	100.19

3 Financial Assets - Loans

Particulars	As at March 31, 2019		As at March 31, 2018	
	₹ in Lacs		₹ in Lacs	
	Non Current	Current	Non Current	Current
(a) Deposits				
- Considered good	34.53	-	22.30	-
(b) Others (Unsecured, considered good)				
Loans given to :				
- Employees	0.59	1.15	0.08	1.30
Total	35.12	1.15	22.38	1.30

4 Financial Assets - Others

Particulars	As at March 31, 2019		As at March 31, 2018	
	₹ in Lacs		₹ in Lacs	
	Non Current	Current	Non Current	Current
(a) Advances to Employees				
- Considered good	-	0.80	-	0.49
(b) Gratuity reimbursements and other claims receivable	-	11.56	-	10.50
(c) Interest Receivable	-	0.16	-	0.59
(d) Term Deposits with banks kept as margin money	1.05	-	11.31	-
(e) Unbilled Revenue	-	32.15	-	34.68
Total	1.05	44.67	11.31	46.27

5 Other Non-Financial Assets

Particulars	As at March 31, 2019		As at March 31, 2018	
	₹ in Lacs		₹ in Lacs	
	Non Current	Current	Non Current	Current
(a) Other Advances	-	-	-	0.31
(b) Capital Advances	44.48	-	1.50	-
(c) Prepaid Expenses	0.64	6.82	1.12	5.82
(d) Duties & Taxes Refundable	9.65	300.66	21.12	118.78
(e) Deposits with Govt. Departments				
- Considered good	34.48	-	17.59	-
(f) Advance to suppliers	-	29.09	-	7.89
(g) Advances to Employees	-	4.75	-	4.33
(h) Prepaid Taxes (Net of provisions)	28.76	-	-	-
Total	118.01	341.32	41.33	137.13

6 Inventories

<u>Particulars</u>	<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
(a) Raw Materials and components				
In hand		188.29		346.30
(b) Packing Materials and components				
In hand		47.97		59.36
(c) Work-in-progress		68.39		63.53
(d) Finished goods				
In hand				
Manufactured	144.32		344.99	
Traded	704.93	849.25	517.21	862.20
(e) Consumable Stores and Spares		10.62		3.18
Total		<u>1,164.52</u>		<u>1,334.56</u>

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, 2019</u>		<u>As at March 31, 2018</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
(i) Amount of inventories recognised as an expense during the period.		2,927.81		3,632.53
(ii) Amount of write - down of inventories recognised as an expense during the period.		-		-
Total		<u>2,927.81</u>		<u>3,632.53</u>

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

<u>Particulars</u>	<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
		Current		Current
(a) Trade Receivable	503.88		1,135.33	
Less: Expected Credit Loss	(2.13)	501.75	(13.75)	1,121.58
Total		<u>501.75</u>		<u>1,121.58</u>

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.

<u>Particulars</u>	<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
Balance at the beginning of the period		13.75		20.21
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses		(11.62)		(6.46)
Provision at the end of the period		<u>2.13</u>		<u>13.75</u>

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.

8 Financial Assets - Cash & Cash Equivalents

<u>Particulars</u>	<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	₹ in Lacs		₹ in Lacs	
(a) Balances with banks	15.61		15.81	
(b) Cash on hand	0.43		0.27	
(c) Fixed deposit with bank	200.00		-	
Total	216.04		16.08	

9 Financial Assets - Bank Balances other than (8) above

<u>Particulars</u>	<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	₹ in Lacs		₹ in Lacs	
(a) Unpaid dividend accounts	9.27		7.34	
	9.27		7.34	

10 Equity Share Capital

<u>Particulars</u>	<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	₹ in Lacs		₹ in Lacs	
Face Value	₹ 10.00 each		₹ 10.00 each	
Class of Shares	Equity Shares		Equity Shares	
Authorised Capital	75,00,000	750.00	75,00,000	750.00
Issued, Subscribed and Paid up Capital				
Issued & Subscribed	49,16,980	491.70	49,16,980	491.70
Paid up	49,16,980	491.70	49,16,980	491.70
Total	491.70		491.70	

Disclosures:
i) Reconciliation of Shares

<u>Particulars</u>	<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	Numbers	₹ in Lacs	Numbers	₹ in Lacs
Shares outstanding at the beginning of the year	49,16,980	491.70	49,16,980	491.70
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	49,16,980	491.70	49,16,980	491.70

ii) Details of Shareholding in excess of 5%

<u>Name of Shareholder</u>	<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	Number of shares held	%	Number of shares held	%
Kaygee Laboratories Private Limited (Formerly Exon Laboratories Private Limited)	6,50,000	13.22%	6,50,000	13.22%
Kaygee Investments Private Limited	8,54,400	17.38%	8,54,400	17.38%
Paschim Chemicals Private Limited	7,66,672	15.59%	7,66,672	15.59%

iii) Rights and obligations of shareholders

The Company has only one class of share referred as Equity shares having a par value of ₹ 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.

11 Other Equity

Particulars	As at March 31, 2019		As at March 31, 2018	
	₹ in Lacs		₹ in Lacs	
(a) Capital Reserve	302.76		302.76	
(b) Securities Premium Account	108.64		108.64	
(c) General Reserve	1,200.00		1,200.00	
(d) Retained Earnings	1,271.09		1,071.43	
(e) OCI Reserve				
- Remeasurement of Investment through FVOCI	795.96		507.66	
Total	3,678.46		3,190.49	

a) Security Premium Reserve:

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

b) General Reserve :

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

c) The Board of Directors in their meeting held on May 22, 2019 has proposed a dividend of ₹ 1/- per equity share of ₹ 10/- each which together with dividend tax will result in outflow of ₹ 58.83 lacs. This is subject to approval of the Shareholders in the ensuing General Meeting.

12 Financial Liabilities - Borrowings

Particulars	As at March 31, 2019		As at March 31, 2018	
	₹ in Lacs		₹ in Lacs	
	Non Current	Current	Non Current	Current
Working Capital Loan from Yes bank	-	1.59	-	128.93
Long Term Loan - Yes bank	597.04	39.80	-	-
Less : Reclassified to current maturities	-	(39.80)	-	-
Total	597.04	1.59	-	128.93
Secured Borrowing	597.04	1.59	-	128.93
Unsecured Borrowing	-	-	-	-

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, 2019		As at March 31, 2018	
	₹ in Lacs		₹ in Lacs	
Term Loan				
10.65% Long term Loan From Yes Bank	597.04	39.80	-	-
	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, 2019</u>	<u>March 31, 2018</u>
Installment payable between 0 to 1 years	39.80	-
Installment payable between 1 to 2 years	159.21	-
Installment payable between 2 to 5 years	437.83	-
Installment payable beyond 5 years	-	-
Total	636.84	-

e) **The long term loans are taken at the following rates.**

<u>Particulars</u>	<u>Interest Rate</u>
Term Loan	10.65%

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

<u>Particulars</u>	<u>Current Borrowings</u>	<u>Non-Current Borrowings</u>
Opening Balances	128.93	-
Changes from Financing Cash Flows	(127.34)	597.04
Effect of changes in foreign currency	-	-
Interest Accrued	-	-
Other changes	-	-
Closing Balances	1.59	597.04

13 Other Financial Liabilities

<u>Particulars</u>	<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>	<u>Current</u>
(a) Current Maturities of long term borrowings	-	39.80	-	-
(b) Security Deposits from customers	-	417.10	-	622.60
(c) Unpaid dividends	-	9.27	-	7.34
(d) Payable for Capital Goods	-	88.16	-	3.73
(e) Interest accrued on Term loan	-	4.82	-	-
Total	-	559.15	-	633.67

14 Provisions

<u>Particulars</u>	<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>	<u>Current</u>
(a) Gratuity	-	22.27	-	22.44
(b) Provision for leave encashment	17.33	10.70	18.99	5.91
(c) Provision for leave travel assistance (LTA)	-	7.22	-	5.51
(d) Provision for breakage/damage	-	0.01	-	0.07
(e) Provision for product expiry	-	0.06	-	0.22
(f) Provision for sales return	-	72.11	-	61.28
(g) Provision for trade discount	-	7.99	-	-
Total	17.33	120.36	18.99	95.43

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

Particulars	₹ in Lacs	
	March 31, 2019	March 31, 2018
(i) Provision for breakage/damage		
Balance at the beginning of the period	0.07	0.17
Provisions made during the period	0.25	0.29
Utilisations during the period	(0.31)	(0.40)
Provision at the end of the period	0.01	0.07
(ii) Provision for product expiry		
Balance at the beginning of the period	0.22	0.36
Provisions made during the period	0.28	0.89
Utilisations during the period	(0.44)	(1.04)
Provision at the end of the period	0.06	0.22
(iii) Provision for sales return		
Balance at the beginning of the period	61.28	61.35
Provisions made during the period	498.11	243.61
Utilisations during the period	(487.28)	(243.68)
Provision at the end of the period	72.11	61.28
(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, 2019	As at Mar 31, 2018
Expense recognised in Statement of Profit & Loss		
Current Service cost	5.92	6.26
Interest expense	4.84	7.75
Expected Return on Plan Assets	(3.78)	(6.33)
Benefit paid but pending claim	-	-
Past Service cost	-	-
Total	6.98	7.68
Expense recognised in Other Comprehensive Income		
Return on plan assets (Greater)/Less than Discount Rate	1.14	(0.23)
Actuarial (Gain)/Loss due to Experience on DBO	(1.87)	(0.29)
Total	(0.73)	(0.52)

Particulars	₹ in Lacs	
	As at Mar 31, 2019	As at Mar 31, 2018
Present value of funded defined benefit obligation	84.02	71.39
Fair value of Plan assets	(61.75)	(48.95)
Funded Status	22.27	22.44
Net defined benefit (Asset) / Liability	22.27	22.44
Movements in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	71.39	105.05
Current Service Cost	5.92	6.26
Interest Cost	4.84	7.75
Actuarial (Gain)/Loss	1.87	0.29
Benefits paid	-	(47.96)
Past Service Cost	-	-
Present value of defined benefit obligation at the end of the year	84.02	71.39
Movements in fair value of the plan assets are as follows:		
Opening fair value of plan assets	48.96	85.80
Adjustment to opening fair value	10.41	-
Expected returns on Plan Assets	3.78	6.33
Remeasurement (Gains)/Losses:		-
Actuarial (Gain)/Loss on Plan assets	1.14	(0.23)
Contribution from Employer	7.97	5.02
Benefits paid	(10.50)	(47.96)
Fund Charges	-	-
Benefit paid but pending claim	-	-
Closing fair value of the plan asset	61.76	48.96
Remeasurement effect recognised on Other Comprehensive Income		
Actuarial (Gain)/Loss arising from experience adjustments	1.87	0.29
Actuarial (Gain)/Loss on Plan assets	(1.14)	0.23
Total Actuarial (Gain)/Loss included in OCI	0.73	0.52

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

Financial Assumptions

Discount Rate	6.85%	7.72%
Salary Increase Rate	6.00%	6.00%

Demographic Assumptions

Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal Rate	25%	25%
Retirement age	58 Years	58 Years

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

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

The sensitivity analysis 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	85.19	71.57
b. Discount rate + 50 basis points	82.89	71.22

Salary increase rate

a. Rate - 50 basis points	82.88	71.26
b. Rate + 50 basis points	85.20	71.53

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, then 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, 2019</u>		<u>As at March 31, 2018</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	55.43		76.09	
Fair Value Change of Investment through OCI	40.80	96.23	6.76	82.85
(b) Deferred tax asset on account of				
Leave Encashment	(7.80)		(8.23)	
Other tax disallowance	(0.56)	(8.36)	(0.83)	(9.06)
Total		87.87		73.79

16 Other Non-financial Liabilities

<u>Particulars</u>	<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>	<u>Current</u>
(a) Revenue received in advance	-	4.50	-	0.20
(b) Duties & Taxes Payable	-	17.22	-	11.69
(c) Other Payables	-	4.30	-	3.99
Total	-	26.02	-	15.88

17 Financial Liabilities - Trade Payables

<u>Particulars</u>	<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
a) Trade Payables for goods and services:				
- Total outstanding dues of Micro and Small Enterprises #		75.85		-
- Others		317.17		668.10
b) Acceptances		-		-
Total		393.02		668.10

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, 2019</u>		<u>As at March 31, 2018</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
Principal amount due		75.85		-
Interest due on above		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		12.85		-
- Interest paid thereon				-
Amount of interest due and payable for the period of delay		0.09		-
Amount of interest accrued and remaining unpaid as at year end		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 Current Tax Liabilities (Net)

<u>Particulars</u>	<u>As at March 31, 2019</u>		<u>As at March 31, 2018</u>	
	<u>₹ in Lacs</u>		<u>₹ in Lacs</u>	
Provision for taxation (Net of taxes paid)		28.76		12.28
Total		28.76		12.28

19 Revenue from Operations (Gross)

<u>Particulars</u>	<u>2018-19</u>	<u>2017-18</u>
	₹ in Lacs	₹ in Lacs
Sale of Products	3,882.17	4,968.15
Sale of services	774.85	634.12
Other operating revenues		
Sundry Creditors Balances written back	4.07	12.72
Miscellaneous income	1.41	1.54
Total	<u>4,662.50</u>	<u>5,616.53</u>

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

i) The company deals only in Generic formulations and hence there is no data of disaggregation of revenue

ii) Movement in Advance from Customers

<u>Particulars</u>	<u>Opening</u>	<u>Closing</u>
Advance from Customers		
Mar-19	0.20	4.50
Mar-18	6.12	0.20

iii) Movement in Unbilled Revenue

<u>Particulars</u>	<u>Opening</u>	<u>Closing</u>
Manufacturing Charges Income		
Mar-19	34.68	32.15
Mar-18	76.51	34.68

20 Other Income

<u>Particulars</u>	<u>2018-19</u>	<u>2017-18</u>
	₹ in Lacs	₹ in Lacs
Interest income	29.00	22.40
Dividend income - from investments	20.60	19.17
Profit on sale of property, plant & equipment	-	1.96
Rent Income	193.50	125.48
Foreign Exchange Gain	2.43	0.09
Reversal of provision for Expected Credit Loss	11.61	6.46
Miscellaneous Income	0.03	0.26
Total	<u>257.17</u>	<u>175.82</u>

21 Cost of Materials Consumed

<u>Particulars</u>	<u>2018-19</u>			<u>2017-18</u>
	<u>₹ in Lacs</u>			<u>₹ in Lacs</u>
Raw Materials Consumed				
Opening stock	346.30			161.71
Add : Purchases (Net of discount)	983.26			1,809.88
	1,329.56			1,971.59
Less : Closing stock	188.29	1,141.27		346.30
				1,625.29
Packing Materials Consumed				
Opening stock	59.36			29.48
Add : Purchases (Net of discount)	130.68			219.03
	190.04			248.51
Less : Closing stock	47.97	142.07		59.36
				189.15
Total		1,283.34		1,814.44

22 Purchases of Traded Goods

<u>Particulars</u>	<u>2018-19</u>			<u>2017-18</u>
	<u>₹ in Lacs</u>			<u>₹ in Lacs</u>
Formulations	1,512.98			2,098.83
Others	75.40			19.09
Total	1,588.38			2,117.92

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

<u>Particulars</u>	<u>2018-19</u>			<u>2017-18</u>
	<u>₹ in Lacs</u>			<u>₹ in Lacs</u>
Inventory Adjustments - WIP				
Stock at commencement	63.53			32.34
Less: Stock at closing	68.39	(4.86)		63.53
				(31.19)
Inventory Adjustments - FG				
Stock at commencement	344.99			209.57
Less: GST credit of excise duty on opening stock	-			(2.12)
Less : Stock at closing	144.32	200.67		344.99
				(137.54)
Inventory Adjustments - Traded Goods				
Stock at commencement	517.21			363.70
Less: GST credit of excise duty on opening stock	-			(3.78)
Less : Stock at closing	704.93	(187.72)		517.21
				(157.29)
Variation in Excise duty on :				
Closing stock of finished goods	-			-
Less: Opening stock of finished goods	-			14.46
				(14.46)
Total		8.09		(340.48)

24 Employee Benefits Expenses

<u>Particulars</u>	<u>2018-19</u>	<u>2017-18</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Salaries , bonus , perquisites, etc.	636.88	565.82
Contribution to provident and other funds	27.84	28.23
Leave encashment	10.99	8.24
Leave travel assistance	4.27	5.10
Gratuity fund contributions	6.98	7.68
Staff welfare expenses	13.70	11.92
Recruitment & training	0.63	1.52
Total	<u>701.29</u>	<u>628.51</u>

25 Finance Cost

<u>Particulars</u>	<u>2018-19</u>	<u>2017-18</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Interest expense	25.41	35.82
Total	<u>25.41</u>	<u>35.82</u>

26 Depreciation & Amortisation

<u>Particulars</u>	<u>2018-19</u>	<u>2017-18</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Depreciation on tangible assets	150.09	156.09
Amortisation on intangible assets	0.19	1.06
Total	<u>150.28</u>	<u>157.15</u>

27 Other Expenses

<u>Particulars</u>	<u>2018-19</u>	<u>2017-18</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Consumption of stores and spares	48.00	40.65
Power and fuel	136.17	129.73
Water charges	2.80	3.93
Freight, forwarding and transportation	125.19	131.77
Outside manufacturing charges	171.39	217.41
Repairs and maintenance	40.23	36.53
Loss on sale of property, plant & equipment	0.55	8.49
Property, plant & equipment scrapped	0.09	9.49
Commission on sales and brokerage	-	6.25
Field staff expenses	75.44	77.95
Sales and marketing expenses	5.44	7.91
Product information catalogue	1.09	3.86
Laboratory expenses and analytical Charges	44.97	41.02
Expenditure on research & development	2.93	4.50
Rent	42.32	31.51
Rates and taxes	19.06	41.25
Travelling expenses	12.35	22.13
Professional charges	19.85	12.29

<u>Particulars</u>	<u>2018-19</u>	<u>2017-18</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Printing and stationery	7.82	7.54
Books, subscription and software	0.34	24.55
Excise duty / GST expenses	3.42	4.28
Communication expenses	5.14	5.12
Insurance	11.70	11.89
Intellectual property right expenses	6.21	4.22
Remuneration to auditors	6.22	6.36
Bank charges	0.29	0.11
Loss on financial assets measured at FVTPL	23.35	7.92
Bad debts and other balance w/off	13.13	9.02
Security Charges	12.05	11.27
Miscellaneous expenses (none of which individually forms more than 1% of the operating revenue)	23.72	14.54
Total	861.26	933.49

Details of:

1 Repairs and Maintenance:

- Building	11.77	11.06
- Machinery	27.09	23.88
- Others	1.37	1.59
	40.23	36.53

2 Remuneration To Auditors:

- Audit fees including Limited Review	4.40	3.90
- Tax matters	0.93	1.75
- Other services and Out of pocket expenses	0.89	0.71
	6.22	6.36

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

<u>Particulars</u>	<u>2018-19</u>	<u>2017-18</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
(a) Employee benefits expenses	2.16	2.27
(b) Cost of materials consumed	0.42	2.96
(c) Laboratory Expenses	2.51	1.53
(d) Depreciation	13.68	9.49
Total	18.77	16.25

28 Tax Expense- Profit and Loss Account

<u>Particulars</u>	<u>2018-19</u>	<u>2017-18</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
(a) Current Tax	76.70	136.17
(b) Deferred Tax	(19.96)	(13.03)
(c) Short / Excess Provision of earlier years	-	(5.28)
Total	56.74	117.86

28A Tax Expense- Other Comprehensive Income

<u>Particulars</u>	2018-19	2017-18
	₹ in Lacs	₹ in Lacs
(a) Current Tax	(0.20)	(0.17)
(b) Deferred Tax	34.04	6.76
Total	33.84	6.59

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

Profit before Income taxes	301.62	423.55
Enacted tax rates in India (%)	27.82%	33.06%
Computed expected tax expenses	83.91	140.04
Accelerated Depreciation	(10.64)	(15.08)
Effect of exempt income	(5.73)	(4.68)
Effect of non- deductible expenses	11.18	2.53
Additional deduction on Research and Development Expenses	(2.23)	(7.35)
Others	0.21	20.71
Income tax expenses - Net	76.70	136.17

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

<u>Particulars</u>	As at March 31, 2019	Recognised in profit/loss	As at March 31, 2018	Recognised in profit/loss	As at April 01, 2017
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Property, Plant & Equipment	55.43	(20.66)	76.09	(19.81)	95.90
Compensated absences	(7.80)	0.43	(8.23)	2.04	(10.27)
Expenses	(0.56)	0.27	(0.83)	4.74	(5.57)
Total	47.07	(19.96)	67.03	(13.03)	80.06

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

		Recognised in OCI		Recognised in OCI	
Fair value change of Investment held through OCI	40.80	34.04	6.76	6.76	-
Total	87.87		73.79		80.06

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.

Particulars	2018-19	2017-18
(i) Profit after tax	244.88	305.69
(ii) Profit after tax and exceptional Items	244.88	305.69
(iii) Closing equity shares outstanding (Nos.)		
Opening equity shares outstanding (Nos.)	49,16,980	49,16,980
Add:- issued during the year (Nos.)	-	-
Closing equity shares outstanding (Nos.)	49,16,980	49,16,980
(iv) Weighted avg no. of shares outstanding (Nos.) (Basic)	49,16,980	49,16,980
(v) Weighted avg no. of shares outstanding (Nos.) (Diluted)	49,16,980	49,16,980
(vi) Nominal value of equity share (₹)	10.00	10.00
(vii) Basic EPS (i/iv) (₹)	4.98	6.22
(viii) Diluted EPS (i/v) (₹)	4.98	6.22

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

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

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	Country
(i) Entities having significant influence	
Shareholders of Makers Laboratories Ltd	
Kaygee Investments Pvt.Ltd.	India
(Promoter holding together with its subsidiary more than 20%)	

(ii) Key Management Personnel

Mr. Saahil Parikh	Wholetime Director	Indian
Mrs. Purnima Jain	Wholetime Director (Till 29th October 2017)	Indian
Mr. K.C Jain	Independent Director (Till 31st March 2019)	Indian
Mr. Sudarshan Loyalka	Independent Director (Till 31st March 2019)	Indian
Dr. Rajeshwar Singh	Independent Director (Till 31st March 2019)	Indian
Mrs. Dipti Shah	Independent Director	Indian
Mr. R K P Verma	Independent Director (Since 13th February 2019)	Indian
Mr. P M Kathariya	Independent Director (Since 13th February 2019)	Indian
Mr. Nilesh Jain	Wholetime Director (Since 13th February 2019)	Indian

(iii) Entities in which promoters have significant influence

Ipca Laboratories Ltd.	Indian
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(iv) Relative of Key Management Personnel

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

33 Contingent liabilities and Commitments

A) Contingent Liabilities

<u>Particulars</u>	<u>As at March 31, 2019</u>	<u>As at March 31, 2018</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Counter Guarantees given to Banks in respect of guarantees given by the bank on behalf of the Company to Government Authorities	1.05	11.31
Other moneys for which the Company is contingently liable for tax and other matters not accepted by the Company	87.36	87.36
Total	88.41	98.67

B) Commitments

<u>Particulars</u>	<u>As at March 31, 2019</u>	<u>As at March 31, 2018</u>
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
(a) Estimated amount of contracts remaining to be executed on capital account.(Net of Capital Advances)		
Tangible Assets	167.60	5.92
Total	167.60	5.92

34 Financial Instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows:

<u>Particulars</u>	<u>₹ in Lacs</u>			
	<u>Carrying Value</u>		<u>Fair Value</u>	
	<u>31/03/2019</u>	<u>31/03/2018</u>	<u>31/03/2019</u>	<u>31/03/2018</u>
Financial assets				
Amortised Cost				
Loans	36.27	23.68	36.27	23.68
Others	45.72	57.58	45.72	57.58

Particulars	₹ in Lacs			
	Carrying Value		Fair Value	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Trade Receivables	501.75	1,121.58	501.75	1,121.58
Cash and cash equivalents	225.31	23.42	225.31	23.42
FVTPL				
Equity Instruments	46.11	69.46	46.11	69.46
Mutual funds considered as Cash and Cash Equivalents	-	100.19	-	100.19
FVTOCI				
Equity Instruments	1,070.37	748.03	1,070.37	748.03
Total Financial Assets	1,925.53	2,143.94	1,925.53	2,143.94
Financial Liabilities				
Amortised Cost				
Borrowings	1.59	128.93	1.59	128.93
Trade Payables	-	-	-	-
Others	559.15	633.67	559.15	633.67
Total Financial Liabilities	560.74	762.60	560.74	762.60

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	₹ in Lacs				
	Date of Valuation	Fair Value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets measured at fair value through P&L					
Listed Equity investments	31/03/2019	46.11	-	-	46.11
Mutual Funds- Dividend Plan	31/03/2019	-	-	-	-
Total financial assets measured at FVTPL		46.11	-	-	46.11
Financial assets measured at fair value through OCI					
Listed Equity investments	31/03/2019	996.38	-	-	996.38
Unlisted Equity investments	31/03/2019	-	73.99	-	73.99
Total financial assets measured at FVTOCI		996.38	73.99	-	1,070.37

Particulars	Fair Value measurement using				₹ in Lacs
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets measured at amortised cost					
Loans	31/03/2019	-	-	36.27	36.27
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
Total financial assets measured at amortised cost		-	-	809.05	809.05
Financial liabilities measured at amortised cost					
Borrowings	31/03/2019	-	-	1.59	1.59
Trade payables	31/03/2019	-	-	-	-
Others	31/03/2019	-	-	559.15	559.15
Total financial liabilities measured at amortised cost		-	-	560.74	560.74
Financial assets measured at fair value through P&L					
Listed Equity investments	31/03/2018	69.46	-	-	69.46
Mutual Funds- Dividend Plan	31/03/2018	100.19	-	-	100.19
Total financial assets		169.65	-	-	169.65
Financial assets measured at fair value through OCI					
Listed Equity investments	31/03/2018	665.35	-	-	665.35
Unlisted Equity investments	31/03/2018	-	82.68	-	82.68
Total financial assets		665.35	82.68	-	748.03
Financial assets measured at amortised cost					
Loans	31/03/2018	-	-	23.68	23.68
Others	31/03/2018	-	-	57.58	57.58
Trade receivables	31/03/2018	-	-	1,121.58	1,121.58
Cash and cash equivalents	31/03/2018	-	-	23.42	23.42
Total financial assets measured at amortised cost		-	-	1,226.26	1,226.26
Financial liabilities measured at amortised cost					
Borrowings	31/03/2018	-	-	128.93	128.93
Trade payables	31/03/2018	-	-	-	-
Others	31/03/2018	-	-	633.67	633.67
Total financial liabilities measured at amortised cost		-	-	762.60	762.60

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 and other payables less cash and cash equivalents.

Particulars	₹ in Lacs	
	As at 31/03/2019	As at 31/03/2018
Borrowings	598.63	128.93
Trade payables	-	-
Other payables	559.15	633.67
Less: Cash and Cash Equivalents (C&CE)	(216.04)	(16.08)
Net debt	941.74	746.51
Total Equity Capital and net debt	4,170.16	3,682.19
Gearing ratio	22.58%	20.27%

No changes were made in the objectives, policies or processes for managing the capital during the years ended March 31, 2019 and March 31, 2018.

38 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, 2019.

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

N. Jayendran
Partner
M.No. 40441
Mumbai May 22, 2019

For and on behalf of the Board of Directors

Saahil Parikh
(DIN 00400079)
Wholetime Director

Khyati Danani
(ACS 21844)
Company Secretary

Nilesh Jain
(DIN 05263110)
Wholetime Director

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 Subsidiaries		Key Management Personnel		Entities in which promoters have significant influence		Other Related Parties		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Purchase of goods and services										
Ipca Laboratories Ltd					37.38	138.60			37.38	138.60
TOTAL	-	-	-	-	37.38	138.60	-	-	37.38	138.60
Sales of goods and services										
Ipca Laboratories Ltd					987.83	726.56			987.83	726.56
TOTAL	-	-	-	-	987.83	726.56	-	-	987.83	726.56
Rent income										
Ipca Laboratories Ltd					-	3.43			-	3.43
TOTAL	-	-	-	-	-	3.43	-	-	-	3.43
Purchase of fixed assets										
Ipca Laboratories Ltd					-	-			-	-
TOTAL	-	-	-	-	-	-	-	-	-	-
Other expenses reimbursements										
Ipca Laboratories Ltd					-	35.38			-	35.38
TOTAL	-	-	-	-	-	35.38	-	-	-	35.38
Dividend Income										
Ipca Laboratories Ltd					1.01	1.01			1.01	1.01
TOTAL	-	-	-	-	1.01	1.01	-	-	1.01	1.01
Excise duty and other expenses paid										
Ipca Laboratories Ltd					24.63	37.47			24.63	37.47
TOTAL	-	-	-	-	24.63	37.47	-	-	24.63	37.47
Remuneration to Directors										
Mrs. Purnima Jain			-	20.24					-	20.24
Mr. Saahil Parikh			38.02	34.87					38.02	34.87
Mr. Nilesh Jain			4.12	-					4.12	-
TOTAL	-	-	42.14	55.11	-	-	-	-	42.14	55.11
Post Employment Benefits										
Mrs. Purnima Jain			-	36.81					-	36.81
TOTAL	-	-	-	36.81	-	-	-	-	-	36.81
Provident Fund										
Mrs. Purnima Jain			-	1.85					-	1.85
Mr. Saahil Parikh			2.91	2.63					2.91	2.63
Mr. Nilesh Jain			0.23	-					0.23	-
TOTAL	-	-	3.14	4.48	-	-	-	-	3.14	4.48
Sitting Fee to Non-executive Directors										
Mr. K C Jain			1.15	1.20					1.15	1.20
Mr. S V Loyalka			1.00	0.95					1.00	0.95
Dr. Rajeshwar Singh			1.15	1.20					1.15	1.20
Mrs. Dipti Shah			0.75	0.15					0.75	0.15
Mr. R K P Verma			0.20	-					0.20	-
Mr. P M Kathariya			0.20	-					0.20	-
TOTAL	-	-	4.45	3.50	-	-	-	-	4.45	3.50
Salaries Paid										
Others							34.81	16.83	34.81	16.83
TOTAL	-	-	-	-	-	-	34.81	16.83	34.81	16.83
Balance at year end										
Receivables										
Ipca Laboratories Ltd					159.24	131.30			159.24	131.30
TOTAL	-	-	-	-	159.24	131.30	-	-	159.24	131.30
Payables										
Ipca Laboratories Ltd					10.43	30.78			10.43	30.78
TOTAL	-	-	-	-	10.43	30.78	-	-	10.43	30.78

Makers Laboratories Limited

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

ATTENDANCE SLIP

34TH ANNUAL GENERAL MEETING ON THURSDAY, 8TH AUGUST, 2019 AT 11.00 A.M.

Folio/D.P. & Client I.D. No. :
Name :
Address :

Joint Holder (s) :
No. of Equity shares held :

I / We hereby record my presence at the **34TH ANNUAL GENERAL MEETING** of the Company held at Anand Mangal Hall, Plot No. 150, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai – 400 067 on Thursday, 8th August, 2019 at 11.00 a.m.

Member's/Proxy's name in Block Letters _____

Member's/Proxy's Signature _____

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

Makers Laboratories Limited

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

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th ANNUAL GENERAL MEETING of the Company to be held at Anand Mangal Hall, Plot No. 150, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai – 400 067 on Thursday, 8th August, 2019 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolution	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent the Resolution (AGAINST)
Ordinary Business:				
1	Adoption of Audited Financial Statements, Report of the Board of Directors and Auditors for the financial year ended 31 st March, 2019.			
2	Declaration of dividend on equity shares.			
3	Re-appointment of Mr. Saahil Parikh (DIN 00400079), who retires by rotation, as a Director.			
Special Business:				
4	Appointment of Mr. R. K. P. Verma (DIN 02166789) as Director / Independent Director.			
5	Appointment of Mr. P. M. Kathariya (DIN 00281395) as Director / Independent Director.			
6	Appointment of Mr. Nilesh Jain (DIN 05263110) as Director.			
7	Appointment of Mr. Nilesh Jain (DIN 05263110) as Wholetime Director and remuneration payable to him.			
8	Approval for Related Party Transactions.			
9	Remuneration payable to Cost Auditors.			

Signature of Shareholder(s): Signed this..... day of 2019

Signature of Proxy holder(s):



Notes:

- This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 34th Annual General Meeting.



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

Website : 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 31st March, 2019

Sr. No.	Name of the Employee	Designation	Age (Years)	Qualification	Date of Joining	Remuneration (₹)	Experience (Years)	Last Employment held before joining the Company	% of equity shares held in the Company
1	MR.SAAHIL U PARIKH	WHOLE TIME DIRECTOR	44	B SC, DMS	1/7/1996	40,93,279	22.09	-	0.34
2	MR.UMESH S PARIKH	GENERAL MANAGER - OPERATIONS	71	BCOM	5/4/1983	23,88,000	36.00	-	0.22
3	MR.ANIL TELANG	VICE PRESIDENT- MARKETING	64	B.SC	1/6/2017	22,20,000	34.10	ALLOYES PHARMACEUTICALS	-
4	MRS.KHYATI HEMANG DANANI	COMPANY SECRETARY	37	BCOM, CS, LLB	9/8/2016	11,24,164	08.02	FIRST SOURCE SOLUTIONS LTD	-
5	MR.PREMNATH YOGI	SR MANAGER	42	B PHARM	16/6/2018	8,59,114	16.09	RUSAN PHARMA LTD.	-
6	MR.SANDEEP N KADAM	MANAGER - ACCOUNTS / CFO	52	B COM	26/12/1996	8,26,940	30.09	M/S ATV PROJECTS INDIA LTD	-
7	MR.NEERAJ KUMAR SINGH	SALES HEAD	48	BA	2/8/2017	8,08,546	22.08	PEHAL PETRO	-
8	MRS.REKHA M KOTIA	MANAGER - Q A	56	B PHARM	10/10/2011	7,60,888	25.05	CHANDRABHAGAT PVT LTD	-
9	MR.RAJESH B PATEL	MANAGER - PRODUCTION	49	B SC	10/1/1992	6,45,175	27.02	-	-
10	MRS.VAISHALI A UPARE	MANAGER- ACCOUNTS	42	B COM	1/6/2008	6,40,555	18.10	SAUMYA CONSTRUCTION PVT LTD.	-

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, 22nd May, 2019

For and on behalf of the Board

R. K. P. Verma
Chairman