

MERCURY LABORATORIES LIMITED					
Regd. Office : 18, Shreeji Bhuvan, 51, Mangaldas Road, Princess Street, Mumbai - 400 002.					
Website : www.mercurylabs.com, Email : secretarial@mercurylabs.com, Ph.No.022-66372841, Fax.022-22015441 CIN : L74239MH1982PLC026341					
STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS					
FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2016					
PART - I (Rs In Lacs)					
Sr. No.	Particulars	QUARTER ENDED			YEAR ENDED
		31.03.2016	31.12.2015	31.03.2015	31.03.2016
		AUDITED	UNAUDITED	AUDITED	AUDITED
1	Income from Operation				
a)	Net Sales/Income from Operations (Net of excise duty)	979.91	1,257.27	869.16	4,751.74
b)	Other Operating Income				4,119.11
	Total Income from Operations (net)	979.91	1,257.27	869.16	4,119.11
2	Expenses				
a)	Cost of Materials consumed	435.22	401.09	308.41	1,881.20
b)	Purchase of stock-in-trade	71.32	91.40	33.11	322.52
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(160.79)	78.34	(95.68)	(171.80)
d)	Employee benefits expense	184.54	177.41	181.09	717.10
e)	Depreciation and amortisation expense	36.54	28.40	72.69	118.40
f)	Other Expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	405.29	304.54	348.86	1,355.26
	Total Expenses	963.22	1,081.24	848.48	4,222.68
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	16.69	176.03	20.68	460.00
4	Other Income	49.42	9.44	40.18	77.78
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	66.11	185.47	60.86	606.84
6	Finance Cost	26.62	33.45	34.08	113.27
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)	39.49	152.02	26.78	493.57
8	Exceptional Items				
9	Profit / (Loss) from ordinary activities before tax (7 ± 8)				
10	Tax Expenses				
a)	Current Tax	9.22	33.62	23.37	137.40
b)	Deferred Tax	(27.32)	(10.76)	(12.20)	(36.08)
11	Net Profit / (Loss) from ordinary activities after tax (9 ± 10)	57.59	129.16	15.61	392.25
12	Extraordinary Items				
13	Net Profit / (Loss) for the period (11±12)	57.59	129.16	15.61	392.25
14	Paid-up Equity Share Capital (Face Value Rs. 10/- each)	120.00	120.00	120.00	120.00
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				
16	Earning per Share (EPS) of Rs.10/- each (not annualised)	4.80	10.76	1.30	32.69
	A. Basic and diluted EPS before Extraordinary Items	4.80	10.76	1.30	32.69
	B. Basic and diluted EPS after Extraordinary Items	4.80	10.76	1.30	32.69

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Factory - 2 Halol-Vadodara Road, Vill. : Jarod, Vadodara-391 510, Gujarat Ph. 02668-274312, CIN - L74239 MH 1982 PLC 026341
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In Technical Collaboration with **JAS** Healthcare, Inc., USA.

STATEMENT OF ASSETS AND LIABILITIES		As at 31.03.2016 (Audited)	As at 31.03.2015 (Audited)
Particulars			
A.	EQUITY AND LIABILITIES		
1	Shareholders fund		
a)	Share Capital	120.00	120.00
b)	Reserve & Surplus	2064.69	1694.10
	Sub-total - Shareholders' Fund	2184.69	1814.10
2	Non-current Liabilities		
a)	Long term borrowings	283.57	192.64
b)	Deferred Tax Liabilities (net)	121.64	157.73
c)	Other long term liabilities		
d)	Long term provisions	14.69	12.68
	Sub-total - Non-current Liabilities	419.90	363.05
3	Current Liabilities		
a)	Short term borrowings	373.20	395.36
b)	Trade payables	758.62	744.73
c)	Other Current Liabilities	434.59	592.20
d)	Short term provisions	490.14	342.12
	Sub-total - Current Liabilities	2046.55	2074.41
	Total Equity and Liabilities	4651.14	4251.54
B.	ASSETS		
1	Non-current Assets		
a)	Fixed Assets	1857.39	1847.90
b)	Non-current Investments	0.63	0.63
c)	Deferred tax assets (net)		
d)	Long-term loans and advances	9.54	8.36
e)	Other non-current assets	1967.50	1956.89
	Sub-total - Non Current Assets	1975.06	1953.78
2	Current Assets		
a)	Current Investments	643.15	438.73
b)	Inventories	1340.88	1217.42
c)	Trade receivables	128.84	117.38
d)	Cash and cash equivalents	872.71	521.18
e)	Short term loans & advances		
f)	Other current assets	2783.58	2294.65
	Sub-total - Current Assets	4651.14	4251.54
	Total - Assets	4651.14	4251.54

- The above Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 6TH May, 2016.
- The Board of Directors has recommended a dividend at the rate 15% of Rs.1.50/- per share of face value of Rs.10/- each aggregating Rs.21.66 Lacs (including corporate dividend tax Rs.3.66 lacs) for the year ended 31/03/2016.
- The company has only One reportable segment i.e. Pharmaceutical.
- Previous period figures have been regrouped / reclassified whenever necessary to conform to current period classification.
- The figures for the three months ended 31-03-2016 and 31-03-2015, are balancing figures between audited figures in respect of the full financial year and the published year to date figures upto nine months of the financial year.

For naresh & co. Chartered Accountants (Firm 106928W)
Rajendra R. Shah Chairman & Managing Director
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CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT
To the Members of Mercury Laboratories Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of **MERCURY LABORATORIES LIMITED ("the Company")** which comprise the Balance sheet as at 31st March, 2016, the Statement of Profit & Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan

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and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditors Report) Order, 2016 ("the order") issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013, we enclose in the Annexure, a statement on the matters specified in paragraph 3 & 4 of the said Order.



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

- a) We have sought and obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our Audit;
- b) In our opinion, proper books of accounts as required by the law have been kept by the Company, so far as appears from our examination of the said books;
- c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company;
- d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors, as on 31st March, 2016, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2016 from being appointed as a director of the Company in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate report in Annexure - B attached herewith.
- g) With respect to the other matters to be included in our Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) There are no long term contracts for which provision is required.
 - (ii) There has been no delay in transferring amounts required to be transferred, to the Investor Protection Fund by the Company.

FOR, NARESH & CO.
CHARTERED ACCOUNTANTS
(F.R.N. 106928W)


CA ANIL SHAH
PARTNER
(M. R. N. 035309)



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ANNEXURE - A TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31st March 2016 of Mercury Laboratories Limited)

- (i) (a) The Company has maintained proper records showing full particulars including Quantitative Details and situation of the Fixed Assets.
 - (b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in the books of accounts.
- (iii) The Company has not granted any loan, secured or unsecured, to Companies, Firms or Other Parties covered in the register maintained u/s. 189 of the Companies Act, 2013 during the year under report. Consequently, no comments are necessary on Para (iii) (a) & (b) of CARO 2015.
- (iv) The Company has not granted any loans or advances or has not given any guarantee or has not acquired securities of any other body corporate exceeding sixty percent of its paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more and hence the question of compliance of Section 185 and 186 of Companies Act, 2013 doesn't arise.
- (v) The Company has accepted deposits from members and the same is in compliance with the provisions of Section 73 to 76 of the Companies Act, 2013.
- (vi) We have broadly reviewed the cost records maintained by the company for its products pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and we are of the opinion that *prima facie* the prescribed cost records have been made and maintained. However, we have not made a detailed examination of these records with a view to determine whether they are accurate or complete.



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- (vii) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the Company were outstanding, as at 31st March, 2016 for a period of more than six months from the date they became payable.

- (b) According to the records of the company, there are no dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty, or Cess which have not been deposited on account of any dispute except the following :

Statute	Nature of Dues	Amount (Rs.)	Period	Pending in which Forum
Sales Tax	GST on Assessment	89391.00	1991 - 92	Tribunal Appeals
Service Tax	Wrong Availment of Credit	11,47,688.00	2005-08	Commissioner Appeals
		3,04,216.00	2011-15	CESTAT, Ahmedabad
Excise	Non Payment of Duty on Expired Goods	104,501.00	2008-09	CESTAT, Ahmedabad
Excise	Excise Duty on Physician Sample	536,791.00	2005-06	CESTAT, Ahmedabad
Income tax	Demand u/s 156 of income tax act	2784170.00	2012-13	CIT(appeal), Mumbai

- (c) The amount required to be transferred to Investor Education and Protection Fund in terms of Section 642 of the Companies Act, 1956 read with sub-section (3) of Section 205C of the said Act and the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001 has been duly transferred.

- (viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debentures.



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

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Annexure – B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of M/s. Mercury Laboratories Limited ("the Company"), as on 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

FOR, NARESH & Co.
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(F.R.N. 106928W)


CA ANIL SHAH
PARTNER
(M. R. N. 035309)



FORM A
(for audit report with unmodified opinion)

1. Name of the company	Mercury Laboratories Ltd.
2. Annual financial statements for the year ended	31 st March, 2016 (Standalone)
3. Type of Audit observation	Un-modified
4. Frequency of observation	Not Applicable


For Mercury Laboratories Ltd.


Rajendra R. Shah
Managing Director & CEO


Priyanka P. Doshi
CFO


Divyakant R. Zaveri
Chairman – Audit Committee

For M/s. Naresh & Co.
Chartered Accountants
ICAI Firm Registration No.106928W


Anil A. Shah
Partner
Membership No. 035309

Date : 06-05-2016
Place : Vadodra