



ZENLABS ETHICA
LIMITED

27th ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED
31.03.2020

ZENLABS ETHICA LIMITED**ANNUAL REPORT****2019-2020****Contents:**

Notice of 27 th Annual General Meeting	1-8
Director's Report	9-16
MGT-9 Extract of Annual Return	17-26
FORM MR-3 (Secretarial Audit Report)	27-29
Disclosure under the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014	30
FORM AOC-2	31
Management Discussion and analysis Report	32-33
CEO/CFO Certification	34
Independent Auditors' Report	35-40
Balance Sheet	41-42
Profit & Loss A/c	43-44
Cash Flow Statement	45
Schedules to Financial Statements	46-65
Attendance slip & Proxy Form	66-68
Route Map to reach to the Venue of AGM	69

27th ANNUAL GENERAL MEETINGDate: 17th December, 2020

Day: Thursday

Time: 11:30 A.M.

Venue: Plot No.194-195, 3rd Floor, Industrial Area, Phase II
Ram Darbar, Chandigarh-160002

BOARD OF DIRECTORS

1	Mr. Sanjeev Kumar (DIN-01154896)	Promoter Executive Director Managing Director, CEO
2	Mr. Sanjay Dhir (DIN- 02452461)	Promoter Whole time Director, CFO
3	Mr. Harpreet Singh (DIN-00834180)	Promoter Director Non-Executive
4	Mr. Satish Kumar (DIN-00763060)	Promoter Non-executive Director
5	Mrs. Himjyoti (DIN-02398927)	Promoter Non-executive Woman Director
6	Mr. Ashok Kumar Gupta (DIN – 07330108)	Independent Non-executive Director
7	Mr. Chander Sheel Baweja (DIN: 07346412)	Independent Non-executive Director
8	Mr. Anurag Malhotra (DIN: 07552713)	Independent Non-executive Director
9	Mr. Kuldeep Singh (DIN: 08454422)	Director

AUDITORS

M/s. Vijay Darji and Associates
Chartered Accountants
1062, 10th Floor, Solaris Hubtown
N S Phadke Marg
Andheri East, Mumbai
Tel.: 022-26830424

REGISTRARS AND TRANSFER AGENTS

Bigshare Services Private Limited
Bharat Tin Works Building, 1st Floor
Opp. Vasant Oasis Next to Keys Hotel
Makwana Road, Andheri – East
Mumbai – 400059
Tel.: 022 – 62638200
[E-Mail: investor@bigshareonline.com](mailto:investor@bigshareonline.com)

BANKERS

HDFC Bank Ltd. Chandigarh

LISTING OF EQUITY SHARES

BSE Ltd.
Security Code: 530697
ISIN: INE546F01013

COMPANY SECRETARY

Nayan Deep Kaur

REGISTERED OFFICE

Plot No.194-195, 3rd Floor
Industrial Area, Phase II, Ram Darbar, Chandigarh-160002
CIN: L74900CH1993PLC033112
Tel.:0172-4651105 Fax.: 0172-2656855,
E-

Mail:queries@zenlabsethica.com, secretarial@zenlabsethica.com

Website:www.zenlabsethica.com

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF THE COMPANY ZENLABS ETHICA LIMITED WILL BE HELD ON THURSDAY, THE 17TH DAY OF DECEMBER, 2020 AT 11:30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT PLOT NO. 194-195, 3RD FLOOR, INDUSTRIAL AREA, PHASE II, RAM DARBAR, CHANDIGARH-160002 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 31st March, 2020 together with the reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Smt. Himjyoti (DIN : 02398927), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. Re-appointment of Sh. Ashok Kumar Gupta (DIN: 07330108) as an Independent Director:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Sh. Ashok Kumar Gupta (DIN: 07330108), who holds office of Independent Director up to 8th November, 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 9th November, 2020 up to 8th November, 2025."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

Recommendation for approval by members of company for revision of remuneration of Mr. Sanjay Dhir Whole Time Director (DIN: 02452461) of the company by way of special resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and Schedule V to the Companies Act, 2013 ("the Act") read with Companies (Appointment and Remuneration to Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Rules made there under to the extent applicable, on the recommendation of Audit Committee, Nomination & Remuneration Committee and subject to approval of members at the Annual General Meeting and such other approvals as required, consent of the Board of Directors be and is hereby accorded unanimously for revision in payment of remuneration amounting to Rs. 3,10,000 (Rs. Three Lakh Ten Thousand) per month

w.e.f 1st September, 2020 and other perquisites as applicable, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Mr. Sanjay Dhir, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

On behalf of the Board
For Zenlabs Ethica Limited

Sd/-
Sanjeev Kumar
Managing Director
DIN: 01154896

Date: 10th November, 2020
Place: Chandigarh

NOTES:

In view of the massive outbreak of the COVID – 19 pandemic, social distancing is a norm to be followed and pursuant to the circular issued by the Ministry of Corporate Affairs by Circular No. 28/2020 issued on 17th August' 2020 and further as per various ROC orders for extension of Annual General Meeting for the financial year ended 31st March 2020, herewith extended till 31st December' 2020, but in the interest of the members of the company and to avoid the hardship of the shareholders our company is holding its Annual General Meeting on 17th December 2020.

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and such proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument of proxy as enclosed with the notice, in order to be effective, should be deposited at the registered office of the Company not less than Forty-Eight (48) Hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/ authority, as applicable.

2. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the company provided that not less than three days of notice in writing is given to the company.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
4. The Company has notified closure of Register of Members and Share Transfer Books from Thursday, 10th December, 2020 to Thursday 17th December, 2020 (both days inclusive).
5. Please bring your copy of the annual report to the meeting as the Company would not provide, as a measure of austerity, any copy at the venue of the AGM.
6. In case of joint holders attending Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. All documents referred to in the notice along with Register of Directors and Key Managerial Personnel & Shareholding and Register of Contracts and Arrangements in which directors are interested are open for inspection by the members at the registered office of the Company on all working days, during business hours up to the date of the Annual General Meeting and at the venue of AGM.
8. Members intending to require information about accounts to be explained at the meeting are requested to write to the Company at least ten days in advance of the Annual general meeting.
9. In terms of Section 152 of the Companies Act, 2013, Smt. Himjyoti (DIN - 02398927), Director, retire by rotation at the Annual General Meeting and being eligible, offer herself for reappointment. The Board of Directors of the Company recommends her re-appointment. Brief resume of Director is given here under-

Sr. No.	Particular	Details
1	Name of Director	Smt. Himjyoti
2	DIN	02398927
3	Date of Appointment	25/03/2015
4	No of Shares Held of Company as on 31.03.2020	1,000 equity share of Rs. 10/-
5	Directorships in other Companies	1. Quadriga Biotech Private Limited
6	Chairman/Member of Committees of Companies	1. Member of Stakeholder Relationship Committee
7	Experience	Mrs. Him Jyoti, aged 47 Years is a Woman director having more than 10 years of experience in Pharmaceuticals Industries. Mrs. Him Jyoti is a dedicated and hard-working entrepreneur.

10. The Ministry of Corporate Affairs, New Delhi (MCA) has taken a "Green Initiative" by permitting paperless compliance by companies vide its Circular No. 17/2011 dated 21.04.2011 and Circular No.18/2011 dated 29.04.2011 after considering certain provisions of the Information Technology Act, 2000 and has clarified that the service of documents by a company can be made through electronic mode instead of sending physical copy of document(s). In case, you desire to receive the aforesaid documents in electronic mode in lieu of physical mode, kindly update your E-Mail ID with RTA.
11. In accordance with the provisions of Section 101 and Section 136 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014 as well as Regulation 36 & 44 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Companies can serve copy of the Annual Report and Notice, inter-alia, indicating the process and manner of remote e-voting along with attendance slip and proxy form through electronic mode to those members who have registered their e-mail id with the Company's Registrars and Share Transfer Agents (RTA) (in respect of shares held in physical form) or with their Depository Participants (DPs) (in respect of shares held in electronic form) and made available to the Company by NSDL and CDSL, unless a member has requested for a hard copy of the same.
12. Members holding shares in electronic form may note that as per the regulations of NSDL and CDSL, the Company is obliged to print the details on the dividend warrants as furnished by these Depositories i.e. bank particulars registered against their respective depository accounts will be used by the Company. The Company or its RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised by the members only to their DPs.
13. Members are advised to register/update their address, e-mail addresses to their DPs in case of shares held in electronic forms and to the Company's RTA in case of shares held in physical form for receiving all communications, including Annual Report, Notices, Circulars, etc. from the Company.
14. Members holding shares in physical form and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 read with Rule 19 of Companies (Share Capital and Debentures) Rules, 2014, may fill SH-13 and send the same

to the office of RTA of the Company. In case of shares held in dematerialized form, the nomination / change in nomination should be lodged with their DPs.

15. Non-resident Indian shareholders are requested to inform about the following to the Company and its Share Transfer Agent or the concerned depository Participant, as the case may be, immediately of:
 - a) The change in the residential status on return to India for permanent settlement.
 - b) The particulars of the NRE Account with a Bank in India, if not furnished earlier.
16. Entry to the venue will be strictly regulated by the attendance slip which is annexed to the proxy form. Members are requested to produce the attendance slip duly signed along with photo identity proof i.e. Pan Card / Aadhar Card/ Driving License / Passport Copy, if any, at the entrance of venue.
17. Members, who hold shares in:
 - a. Multiple De-mat accounts and/ or
 - b. One or more folios in physical form are advised to consolidate their holdings in single De-mat account.
18. Members are requested to correspond with RTA for all matters relating to shareholding in the Company.
19. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 21.
20. In compliance with Section 108 of the Act, read with corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) service facilitated by the Central Depository Services (India) Ltd (CDSL). The facility for voting will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.
21. Information and other instructions relating to e-voting are as under:
 - (i) The voting period begins on the Monday 14th day of December, 2020 (9.00 a.m. IST) and ends on Wednesday, the 16th day of December, 2020 (5.00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut- off date Wednesday the 9th December, 2020 (Record Date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently.
 - (iii) 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 (record date) of Wednesday the 9th December, 2020.
 - (iv) Since the company is required to provide members the facility to cast their vote by electronic means, shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date and not casting their vote electronically, may cast their vote at the AGM venue. Facility will be available at the venue.
 - (v) The company has appointed Mr. Jaspreet Singh Dhawan, Practicing Company Secretary, M/s Jaspreet Dhawan & Associates (FCS 9372; CP 8545) as the scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on Wednesday the 9th December, 2020.

- (vi) The scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, first count the votes at the meeting, 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 make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the chairman.
- (vii) The chairman shall declare the result of the voting forthwith. The results declared along with the scrutinizer's report shall be placed on the company's website i.e. www.zenlabsethica.com and on the website of CDSL and shall simultaneously forward the results to stock exchange i.e. BSE Limited.
- (viii) Voting will be provided to the members through e-voting and/or at the AGM venue by ballot paper. A member can opt for only one mode of voting i.e. either through e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through e-voting shall prevail and the voting at AGM shall be treated as invalid.
- (ix) The shareholders should log on to the e-voting website www.evotingindia.com.
- (x) Click on Shareholders.
- (xi) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (xii) Next enter the Image Verification as displayed and Click on Login.
- (xiii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (xiv) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your Demat account or in the company records for the said Demat account or folio in dd/mm/yyyy format.

- (xv) After entering these details appropriately, click on "SUBMIT" tab.
- (xvi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xvii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xviii) Click on the EVSN (201111001) for the relevant **ZENLABS ETHICA LIMITED** on which you choose to vote.
- (xix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xx) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xxi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xxii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xxiii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xxiv) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xxv) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

- 22. The shareholders can also access the Annual Report 2019-2020 of the Company circulated to the Members of the Company and other information about the Company on Company’s website, i.e. www.zenlabsethica.com.
- 23. Members are requested to come and occupy their seats at least 15 minutes before commencement of 27th Annual General Meeting. Due to security reasons, note that briefcase/bags/eatables/electronic gadgets such as a mobile, laptop, camera, etc., will NOT be allowed along with members/proxies in the 27th Annual General Meeting venue during meeting hours. In case any member/proxy brings electronic gadgets or other items mentioned above the same has to be deposited with security outside the 27th AGM venue at the owners’ risk.
- 24. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company requesting the Company to consolidate their holdings in one folio.

25. As per Section 118(10) of the Companies Act, 2013 read with the Secretarial Standards for General Meeting issued by Institute of Company Secretaries of India “NO GIFTS, GIFT COUPONS OR CASH IN LIEU OF GIFTS SHALL BE DISTRIBUTED TO MEMBERS AT OR IN CONNECTION WITH THE 27th ANNUAL GENERAL MEETING”.
26. 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 PAN to their depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN to the RTA of the Company.
27. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or of staying abroad or demise of any member as soon as possible. Members are also advised not to leave their Demat accounts dormant for long. Periodical statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified.
28. The attendance slip and route map showing prominent landmark is annexed to the notice. The route map has been uploaded on the website of the Company.

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

ITEM NO. 3

Sh. Ashok Kumar Gupta (DIN: 07330108), aged 67 years, was appointed as an Independent Director of the Company w.e.f. 9th November, 2015 in compliance with Section 149 of the Companies Act, 2013 and his current tenure as an Independent Director will end on 8th November 2020. In terms of Section 149 of the Companies Act, 2013, every Independent Director shall hold office for a term up to 5 consecutive years on the Board of the Company. Any re-appointment of such Independent Director shall be approved by the Members of the Company by way of Special Resolution. Nomination and Remuneration Committee (‘NRC’) at their meeting held on November 2nd, 2020 considered the performance evaluation of Sh. Ashok Kumar Gupta during his tenure and considering his contribution, skill sets and rich experience and recommended his re-appointment. Board of Directors at their meeting held on November 10, 2020 considered the recommendation of NRC and approved the re-appointment of Sh. Ashok Kumar Gupta as an Independent Director for a further period of 5 years, subject to approval of the Members. The Company has received declaration from Sh. Ashok Kumar Gupta confirming his eligibility for re-appointment as Independent Director for the second term in line with the requirements of Companies Act, 2013 and Listing Regulations. Sh. Ashok Kumar Gupta is not related to any other Director of the Company. A brief profile of Sh. Ashok Kumar Gupta is given as under. In the opinion of the Board, Sh. Ashok Kumar Gupta fulfills the conditions specified in the Companies Act, 2013 and Listing Regulations and is independent of the management.

Except Sh. Ashok Kumar Gupta, none of the other Directors and Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No 3.

Sr. No.	Particular	Details
1	Name of Director	Sh. Ashok Kumar Gupta
2	DIN	07330108
3	Date of Appointment	09.11.2015
4	No of Shares Held of Company as on 31.03.2020	Nil
5	Directorships in other Companies	1. Preet Remedies Limited

6	Chairman/Member of Committees of Companies	1. Chairman & Member Audit Committee 2. Chairman & Member Nomination & Remuneration Committee 3. Member of Stakeholder Relationship Committee
7	Experience	Mr. Ashok Kumar Gupta aged 67 years, is an Independent Director of the company. He is very senior and experienced Director and has more than 25 years' experience in the field of Accounts. He is retired from Punjab Government as Accountant. He is retired from the Punjab Government. Mr. Ashok Kumar Gupta is a dedicated and hardworking person. He holds a bachelor's Degree in Arts and his presence on the Board is of great benefit to the company.

ITEM NO. 4

The Audit Committee, Nomination & Remuneration Committee and the Board of Directors in their meeting held recommended and approved subject to approval of members at the Annual General Meeting scheduled to be held on 17th December, 2020, the revision in remuneration and allowances of Mr. Sanjay Dhir (DIN: 02452461) Whole Time Director of the company w.e.f. 1st September, 2020 provided that such variation or increase in remuneration is within specified limit as specified under the relevant provisions of Section 196, 197 and Schedule V to the Companies Act, 2013.

Reference to the provision of section 196, 197 and 203 of the Companies act, 2013, read with schedule V to the companies act 2013 along with the Ministry of Corporate Affairs (MCA) through its notification dated 12 September 2018 notified provisions of the Companies (Amendment) Act, 2017 (Amendment Act, 2017) and amended schedule V of Companies Act, 2013, provides for payment of managerial remuneration by Companies, requires members approval for payment of managerial remuneration to the managerial person Hence the Board recommends the resolution for member approval by way of special resolution, provided that such variation or increase in remuneration is within specified limit as specified under the relevant provisions of Section 196, 197 and Schedule V to the Companies Act, 2013.

Therefore, the Board proposes to seek approval of the Shareholders of the Company, approving the payment of consolidated monthly remuneration of Rs. 3,10,000/- to Sh. Sanjay Dhir:

The Board of Directors of the Company, therefore, recommends passing of the resolution as set out in Item No.4 of the Notice above by way of special resolution.

Except Mr. Sanjay Dhir and his relative none of Directors and their relatives or Key Managerial Personnel and their relatives may be deemed to be interested in these resolutions to the extent of their respective shareholding in the Company.

On behalf of the Board
For Zenlabs Ethica Limited

Sd/-
Sanjeev Kumar
Managing Director
DIN: 01154896

Date: 10th November, 2020
Place: Chandigarh

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors is pleased to present the 27th Annual Report on the business and operations of your Company along with the audited statement of accounts and the Auditors' Report for the financial year ended March 31, 2020. The highlights of the financial results for the year under review are given below:

1. FINANCIAL RESULTS:

The Company's financial and operational performance for the year ended March 31, 2020 is summarized below:

(Amount in 000)

Particulars	2019-20	2018-19
Operating Income	599,494.50	6,72,952.30
Other Income	520.71	1,614.41
Total Income	600,015.21	6,74,566.72
Less: Total Expenditure	611,695.99	6,55,666.09
Profit before tax	(11,680.79)	18,900.63
Less: Provision for Tax	(3,621.79)	6,266,235
Profit after tax	(7,326.84)	12,634.39
Other Comprehensive Income	(1,337.86)	0.00
Add: Brought forward P&L balance from prev. year	17,673.04	5,038.65
Profit available for Appropriation	9,008.34	17,673.04

The audited financial statements for FY 2019-20 are recommended for adoption by the shareholders at the ensuing Annual General Meeting (AGM).

2. TRANSFER TO RESERVES

During the financial year 2019-20 the Company has adjusted INR 86,64,708 (loss after tax) in the general reserves.

3. STATE OF AFFAIRS

The Company had suffered a loss of INR 86,64,708 during the year.

4. DIVIDEND

With a view to conserve funds for the operations of the Company, your Directors have not recommended any Dividend on the Equity Shares for the Financial Year under review.

5. CHANGES IN SHARE CAPITAL, IF ANY

During the year under review, there has been no change in the authorized share capital of your Company.

As on 31st March 2020, the authorized capital of Company is INR 70,000,000 (Indian Rupees Seven Crore only) divided into 7,000,000 (Seventy Lakhs only) equity shares of INR 10/- (Indian Rupees Ten only) and paid-up share capital is INR 6,51,00,150 (Indian Rupees Six Crore Fifty One Lakhs One Hundred Fifty only) divided into 65,10,015 (Sixty Five Lakhs Ten Thousand Fifteen only) equity shares of INR 10/- (Indian Rupees Ten only)

The detailed break-up of the share capital is furnished in Note-11 to the 'Notes to Accounts' of the Audited Financial Statements of the Company.

6. EXTRACT OF ANNUAL RETURN:

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure A** and is attached to this Report.

7. MEETINGS OF BOARD

During the FY 2019-20, the Board met 7 (Seven) times as against the minimum requirement of four (4) Board Meetings as per the Companies Act, 2013. The gap between two meetings did not exceed 120 days.

Sr. No.	Name of Directors	Number of meetings during the financial Year 2019-20	
		Entitled to Attend	Attended
1	Mr. Sanjeev Kumar	7	5
2	Mr. Satish Kumar	7	7
3	Mr. Harpreet Singh	7	7
4	Ms. Him Jyoti	7	6
5	Mr. Ashok Kumar Gupta	7	6
6	Mr. Chander Sheel Baweja	7	3
7	Mr. Sanjay Dhir	7	7
8	Mr. Anurag Malhotra	7	6
9	Mr. Kuldeep Singh	5	5

8. AUDIT COMMITTEE:

The Board has constituted the Audit Committee in terms of the requirements of the Companies Act, 2013. During the year Audit committee met 4 (Four) times.

The Audit Committee met on 28th May, 2019, 8th August, 2019, 7th November, 2019 and 10th February, 2020 with the following members:

S. No.	Name	Number of meetings during the financial year 2019-20	
		Entitled to Attend	Attended
1	Mr. Ashok Kumar Gupta (Chairman & Member)	4	4
2	Mr. Anurag Malhotra (Member)	4	3
3	Mr. Sanjay Dhir (Member)	4	4

9. NOMINATION AND REMUNERATION COMMITTEE

In order to comply with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors of your Company had already constituted "Nomination and Remuneration Committee".

Further, the policy formulated by the Nomination and Remuneration Committee on Directors' Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matter provided under Sub-section (3) of Section 178 of the Companies Act, 2013, as adopted by the Board.

The committee met on 15th May, 2019 and 29th January, 2020 with following members:

Sr. No.	Name	Number of meetings during the financial year 2019-20	
		Entitled to Attend	Attended
1	Mr. Satish Kumar- (Member)	2	2

2	Mr. Ashok Kumar Gupta (Chairman & Member)	2	2
3	Mr. Chander Sheel Baweja (Member)	2	2

10. STAKEHOLDER RELATIONSHIP COMMITTEE

The Board has constituted the stakeholder relationship Committee in terms of the requirements of the Companies Act, 2013. During the year stakeholder relationship committee met 5 times.

Sr. No.	Name	Number of meetings during the financial year 2019-20	
		Entitled to Attend	Attended
1	Mr. Satish Kumar (Chairman)	5	4
2	Ms. HimJyoti (Member)	5	3
3	Mr. Ashok Kumar Gupta (Member)	5	4
4	Mr. Anurag Malhotra (Member)	5	3

11. DECLARATION OF INDEPENDENT DIRECTORS:

Mr. Ashok Kumar Gupta, Mr. Chander Sheel Baweja and Mr. Anurag Malhotra are the Independent Directors on the Board of your Company. Based upon the confirmation/ disclosures received from Independent Directors, the Board is of the opinion that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 & the Rules made thereunder.

12. STATUTORY AUDITORS:

The Shareholders of the Company at the 23rd Annual General Meeting (AGM) held on 30th September, 2016 had appointed M/s Vijay Darji and Associates, Chartered Accountants, Mumbai (Firm Registration No. 118614W) as the Statutory Auditors of the Company for one term of five consecutive years i.e. up to the conclusion of 28th AGM to be held in 2021, subject to ratification of their appointment by the members at every AGM of the Company.

However, the requirement to place the matter relating to ratification of appointment of Auditors by the members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, the matter for ratification of appointment of Auditors will not be placed before the members at the forthcoming Annual General Meeting of the Company.

13. AUDITORS REPORT:

M/s. Vijay Darji and Associates, Chartered Accountants (FRN: 118614W) have audited the accounts of your Company for the FY 2019-20 and their report is annexed together with the explanatory notes therein, which are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark.

14. INTERNAL AUDITORS:

M/s Anu & Associates, Chartered Accountants are the Internal Auditors of your Company,

The Internal Auditors have reviewed the design and operating effectiveness of various process covering the surveillance, operational, statutory compliances, business development, administrative, human resource, financial & accounting aspects of your Company.

The Internal Auditors were satisfied with the management response on the observation and recommendations made by them during the course of their audit and have expressed satisfaction with the internal systems, controls and process followed by your Company.

15. SECRETARIAL AUDITOR & REPORT

The Board of Directors of the Company had appointed Mr. Jaspreet Singh Dhawan; Whole-time Practicing Company Secretary to conduct the Secretarial Audit for the financial year 2019-20.

The Secretarial audit report for the financial year ended 31st March, 2020 is **Annexure B** to this Report.

The Observations given by Secretarial Auditor in his Secretarial Audit Report are self-explanatory and do not call for further explanations.

16. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 (3) (c) of Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

i. That in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures.

ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the Company for that period.

iii. That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. That the Directors have prepared the Annual accounts on a going concern basis.

v. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating

vi. That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. RESEARCH AND DEVELOPMENT:

As your Company is a trading company and not directly involved in any manufacturing activity, your Company is not directly involved in any Research and Development activities.

18. FOREIGN EXCHANGE EARNINGS & OUTGO:

The information required pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 on the foreign exchange earnings and outgo of the Company during the FY 2019-20 is given below:

Foreign Exchange Earnings and Outgo	
Particulars	Amount (In Rs.)
A-Foreign Exchange Earnings (Exports)	68,85,047.31
Total	68,85,047.31
B- Foreign Exchange Outgo	
1. Expense (Imports)	-
2. Dividend on Equity Shares	-
3. Dividend on Preference Shares (CCPS)	-
Total	-

19. DEPOSITS:

Your Company had not invited any deposits from the public, and as such, no amount on account of principal or interest related thereto was outstanding as on the date of the Balance Sheet i.e. March 31, 2020.

20. PARTICULARS OF EMPLOYEES:

The ratio of remuneration of each Director to the median employee's remuneration and other details in accordance with Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as **Annexure C**.

Further, in accordance with Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 a statement containing particulars of employees as stipulated therein also forms part of this Directors' Report as **Annexure C**.

21. BUY BACK OF SHARES:

During the year under review, your Company has not announced any scheme for buy back of shares from its shareholders.

22. CORPORATE GOVERNANCE:

The company falls under the criteria 15(2)(a) of the SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015 as the Paid up capital of the company was below Rs. 10 Crores and net worth was below Rs. 25 Crores as on the last day of the previous financial year.

As on 31st March, 2020, the Company's Paid up Capital is of Rs. 65,100,150/- (Rupees Six Crore Fifty One Lakhs One Hundred Fifty only) and Net worth is Worth is INR 7,41,08,490/- (Indian Rupees Seven Crore Forty one Lakhs Eight Thousand Four Hundred and Ninety only).

Hence, compliance with Corporate Governance provisions as per Listing Obligations & Disclosure requirements (LODR) Regulations, 2015 are not applicable to company.

23. INDEPENDENT DIRECTORS MEETING/ BOARD EVALUATION

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act.

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

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

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

In a separate meeting of independent Directors was held on 05.03.2020, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

24. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors of the company is duly constituted. During the financial year 2019-20, there have been following changes in the position of Directors of the Company:

Mr. Kuldeep Singh was appointed as Director w.e.f. 10th June, 2019.

The term of Mr. Narang Singh (DIN: 02483894) as Independent Director has expired on 31.03.2019 and he has conveyed his desires not to seek re-appointment as Independent Director therefore, Mr. Narang Singh ceases to be a Director of the Company.

In accordance with the provisions of Section 152 of the Companies Act 2013, Mrs. Himjyoti (DIN 02398927), Director of the company, will retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. Your Board has recommended her reappointment.

25. VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Board, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 has framed a “Whistle Blower and Anti-fraud Policy”.

Your Company believes in highest possible standards of ethical practices, moral and legal conduct of business operations and to maintain these standards, the Company encourages its Directors and employees to come forward and freely communicate their concerns about illegal or unethical practices/ behavior, actual or suspected, fraud or violation of company’s code of conduct or ethic policy to the appropriate authority so that timely and speedy investigations can be undertaken and corrective action could be taken if warranted.

This Policy has been framed with a view to provide a mechanism inter alia enabling stakeholders, including Directors, individual employees of the Company to freely communicate their concerns about illegal or unethical practices and to report genuine concerns or grievance as also to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct or ethics policy.

The Policy provides for (a) adequate safeguards against victimization of persons who use this Mechanism; and provides (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company.

Details of the Whistle Blower and Anti-fraud Policy are made available on the Company’s website www.zenlabsethica.com.

26. SUBSIDIARIES/ ASSOCIATES/JOINT VENTURES

The Company has no subsidiary/Joint ventures/Associate Companies as per the provisions of Companies Act, 2013.

27. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO AS PER SECTION 217(1) COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

Though the operations of your Company are not energy intensive, your Company takes adequate measures to reduce energy consumption by using energy-efficient lightning in office, computer systems and procuring energy-efficient equipment’s. As an on-going process, your Company continuously evaluates new technologies and techniques to make infrastructure more energy efficient. Since your Company does not carry out any manufacturing activity, the particulars regarding conservation of energy, technology absorption and other particulars as required by the Companies (Accounts) Rules, 2014 are not applicable.

28. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The transactions entered into with related parties as defined under Companies Act, 2013 during the year were in the ordinary course of business and on arm’s length basis, and did not attract provisions of Section 188 of Companies Act, 2013. The details as required pursuant to clause (h) of sub section (3) of Section 134 of Companies Act, 2013 in Form ‘AOC-2’ attached herewith as per **Annexure D**.

29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Your Company has, during the year under review, not given any loans, guarantees or provided security and has not made any investments in any body-corporate as specified under Section 186 of the Companies Act, 2013.

The particulars of loans, guarantees and investments have been disclosed in the financial Statements as on 31st March, 2020.

30. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report.

31. RISK MANAGEMENT POLICY

The Company has adopted a Policy on Risk Management to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Company's business. In order to achieve the key objective, this Policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In addition to above, the Audit Committee of the Board has additional oversight in the area of financial risks and controls. Major risk identified by the business and functions are systematically addressed through mitigating actions on a continuous basis.

32. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There were no significant and material orders passed by the Regulators or Courts or tribunals during the financial year which would impact the going concern status of the Company and its future operations.

33. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS

There are adequate systems of internal financial controls in the Company pursuant to provisions of Section 134(q) r/w Rule 8(5)(viii) of Companies (Accounts) Rules, 2014. The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the companies Policies, the safeguarding of its assets, prevention and detection of frauds, and accuracy of the accounting records and timely preparation of financial disclosures.

The Company has appointed M/s Anu & Associates, Chartered Accountants, as Internal Auditors for the financial year 2020-21.

The Internal Auditor monitors and evaluates the efficiency and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committees of the Board.

34. CORPORATE SOCIAL RESPONSIBILITY

The Provisions of Section 134(3) (o) and Section 135 of the Companies Act, 2013 read with Rule 8 of Companies (CSR Policy) Rules, 2014 regarding corporate social responsibility do not apply to the company for the period under review.

35. DISCLOSURES UNDER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has put in place an Anti-Sexual Harassment mechanism in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, the Company has not received any complaint pertaining to sexual harassment.

36. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and analysis report as per Regulation 34 of the SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015 is annexed to this Board Report **Annexure E**.

37. ACKNOWLEDGEMENTS:

Your Directors would like to express their appreciation for assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

Date: 10th November, 2020
Place: Chandigarh

For and on behalf of the Board
Zenlabs Ethica Limited

Sd/-
Sanjeev Kumar
Managing Director
DIN: 01154896

Sd/-
Sanjay Dhir
Whole time Director
DIN: 02452461

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2020

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1)
of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L74900CH1993PLC033112
ii	Registration Date	20/07/1993
iii	Name of the Company	Zenlabs Ethica Limited
iv	Category/Sub-Category of the Company	Company limited by Shares / Non-govt company
v	Whether listed Company (Yes/No)	Yes (BSE Limited)
vi	Address of the Registered Office and contact details	Plot No. 194-195, 3 rd Floor, Industrial Area Phase II, Ram Darbar, Chandigarh 160002
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt Ltd Bharat Tin Works Building, 1 st Floor Opp. Vasant Oasis, Next to Keys Hotel Makwana Road, Andheri – East Mumbai – 400059 Tel.: 022 – 62638200 E-Mail: investor@bigshareonline.com

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: -

S. No.	Name and description of main product/services	NIC Code of the Product	% to total turnover of the Company
1	Wholesale of pharmaceutical and medical goods	46497	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary / Associate	% of Shares held	Applicable Section
			N.A.		
			N.A.		

IV. SHAREHOLDING 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 i.e. 01-04-2019				No. of Shares held at the end of the year i.e. 31-03-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2396755	0	2396755	36.81	2396755	0	2396755	36.81	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt (s).	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2003478	0	2003478	30.77	2004003	0	2004003	30.78	0.01
e) Bank/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total(A)(1)	4400233	0	4400233	67.58	4400758	0	4400758	67.59	0.01
(2) Foreign									
a) NRIs-	0	0	0	0	0	0	0	0	0
b) Other-	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total(A)(2)									
Total shareholding of Promoter (A)(A)(1)+(A)(2)	4400233	0	4400233	67.58	4400758	0	4400758	67.59	0.01
B. Public Shareholding									
1.Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Bank/FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s).	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)Others(specify)	0	0	0	0	0	0	0	0	0
Sub-Total(B)(1)									
2.Non-Institutions									
a) Bodies Corp.									
i)Indian	224735	6820	231555	3.56	60626	6295	66921	1.03	(2.53)
ii)Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i)Individual shareholders holding nominal share capital up to Rs.1 lakh	530526	317345	847871	13.02	583257	303075	886332	13.61	0.59

ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	853467	64680	918147	14.10	936065	64680	1000745	15.37	1.27
c) Others (specify)									
i) Clearing Member	17172	0	17172	0.26	25586	0	25586	0.39	0.13
ii) Overseas Bodies Corporate	0	0	0	0	0	0	0	0	0
iii) Non Resident Indians (NRI)	1	0	1	0	0	0	0	0	0
iv) Non Resident Indians (Repat)	1669	0	1669	0.03	1570	0	1570	0.02	0.01
v) Non Resident Indians (Non Repat)	210	0	210	0.00	210	0	210	0	0
vi) Hindu Undivided Family	93157	0	93157	1.43	127893	0	127893	1.96	0.53
Total Public shareholding (B)(B)(1)+(B)(2)	1720937	388845	2109782	32.41	1735207	374050	2109257	32.40	0.01
Grand Total (A+B+C)	6121170	388845	6510015	100.00	6135965	374050	6510015	100	0

(ii) Shareholding of Promoters and promoter group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01-04-2019			Shareholding at the end of the year i.e. 31-03-2020			% change in shareholding 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.	Preet Remedies Pvt Ltd	20,03,478	30.77	0	20,04,003	30.78	0	+0.01
2.	Sanjeev Kumar Singal	6,79,074	10.43	0	6,78,074	10.41	0	-0.02
3.	Satish Kumar	3,59,496	5.52	0	3,58,496	5.50	0	-0.02
4.	Harpreet Singh Kalra	6,78,957	10.43	0	6,77,957	10.41	0	-0.02
5.	Sanjay Dhir	6,79,228	10.43	0	6,78,228	10.41	0	-0.02
6.	Him Jyoti	-	-	0	1000	0.02	0	+0.02
7.	Harjinder Kaur	-	-	0	1000	0.02	0	+0.02
8.	Jasbir Singh	-	-	0	1000	0.02	0	+0.02
9.	Daman Singhal	-	-	0	1000	0.02	0	+0.02
	Total	44,00,233	67.58	0	44,00,758	67.59	0	0.01

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

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Changes during the year		Cumulative Shareholding during the year		Shareholding at the end of the year
		No. of shares	% of total shares of the company	Date of change in shareholding	Changes during the year	No. of shares	% of total shares of the company	
1.	Preet Remedies Pvt Ltd	20,03,478	30.77	09.08.2019	+ 525	20,04,003	30.78	20,04,003
2.	Sanjeev Kumar Singal	6,79,074	10.43	23.08.2019	-1000	6,78,074	10.41	6,78,074
3.	Satish Kumar	3,59,496	5.52	13.09.2019	-1000	3,58,496	5.50	3,58,496
4.	Harpreet Singh Kalra	6,78,957	10.43	20.09.2019	-1000	6,77,957	10.41	6,77,957
5.	Sanjay Dhir	6,79,228	10.43	23.08.2019	-1000	6,78,228	10.41	6,78,228
6.	Him Jyoti	-	-	23.08.2019	+1000	1000	0.02	1,000
7.	Harjinder Kaur	-	-	23.08.2019	+1000	1000	0.02	1,000
8.	Jasbir Singh	-	-	20.09.2019	+1000	1000	0.02	1,000
9.	Daman Singhal	-	-	13.09.2019	+1000	1000	0.02	1,000

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

SR NO	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (30/03/2019)/ end of the year (31/03/2020)	% total Shares of the Company				No of Shares	% total Shares of the Company
1	MANISH KUMAR GOYAL	77050	1.18	30-Mar-2019	0		77050	1.18
			1.19	10-May-2019	281	Buy	77331	1.19
			1.25	24-May-2019	4329	Buy	81660	1.25
			1.25	31-May-2019	37	Buy	81697	1.25
			1.26	28-Jun-2019	1	Buy	81698	1.26
			1.24	05-Jul-2019	-666	Sell	81032	1.24
			1.25	26-Jul-2019	33	Buy	81065	1.25
			1.24	02-Aug-2019	-109	Sell	80956	1.24
			1.24	16-Aug-2019	-45	Sell	80911	1.24
			1.24	30-Aug-2019	40	Buy	80951	1.24
			1.24	06-Sep-2019	1	Buy	80952	1.24
			1.24	13-Sep-2019	-36	Sell	80916	1.24
			1.24	04-Oct-2019	-199	Sell	80717	1.24
			1.43	25-Oct-2019	12382	Buy	93099	1.43

			1.40	01-Nov-2019	-2001	Sell	91098	1.40
			1.35	08-Nov-2019	-3000	Sell	88098	1.35
			1.35	15-Nov-2019	-500	Sell	87598	1.35
			1.33	22-Nov-2019	-1334	Sell	86264	1.33
			1.28	29-Nov-2019	-2770	Sell	83494	1.28
			1.28	06-Dec-2019	-1	Sell	83493	1.28
			1.29	10-Jan-2020	291	Buy	83784	1.29
			1.29	17-Jan-2020	171	Buy	83955	1.29
			1.30	24-Jan-2020	400	Buy	84355	1.30
			1.30	31-Jan-2020	60	Buy	84415	1.30
			1.30	06-Mar-2020	-90	Sell	84325	1.30
			1.32	13-Mar-2020	1904	Buy	86229	1.32
			1.32	20-Mar-2020	1	Buy	86230	1.32
			1.32	27-Mar-2020	2	Buy	86232	1.32
		86232	1.32	31-Mar-2020	0		86232	1.32
2	ARVIND RAMGOPAL BOHRA	143557	2.21	30-Mar-2019	0		143557	2.21
			2.19	12-Apr-2019	-1000	Sell	142557	2.19
			2.19	19-Apr-2019	-300	Sell	142257	2.19
			2.18	14-Jun-2019	-300	Sell	141957	2.18
			2.17	19-Jul-2019	-402	Sell	141555	2.17
			2.17	30-Aug-2019	-250	Sell	141305	2.17
			2.16	13-Sep-2019	-1000	Sell	140305	2.16
			2.15	20-Sep-2019	-500	Sell	139805	2.15
			2.14	18-Oct-2019	-700	Sell	139105	2.14
			2.13	25-Oct-2019	-700	Sell	138405	2.13
			2.12	08-Nov-2019	-200	Sell	138205	2.12
			2.12	15-Nov-2019	-200	Sell	138005	2.12
			2.11	22-Nov-2019	-560	Sell	137445	2.11
			2.10	29-Nov-2019	-800	Sell	136645	2.10
			2.09	06-Dec-2019	-269	Sell	136376	2.09
			2.09	17-Jan-2020	-560	Sell	135816	2.09
			2.08	31-Jan-2020	-500	Sell	135316	2.08
			2.07	07-Feb-2020	-391	Sell	134925	2.07
			2.06	21-Feb-2020	-500	Sell	134425	2.06
		134425	2.06	31-Mar-2020	0		134425	2.06
3	SANGEETA A BOHRA	83550	1.28	30-Mar-2019	0		83550	1.28
			1.28	12-Apr-2019	-500	Sell	83050	1.28
			1.26	28-Jun-2019	-1010	Sell	82040	1.26
			1.54	12-Jul-2019	18146	Buy	100186	1.54
			1.53	19-Jul-2019	-380	Sell	99806	1.53
			1.53	09-Aug-2019	-26	Sell	99780	1.53
			1.53	23-Aug-2019	-15	Sell	99765	1.53
			1.52	13-Sep-2019	-500	Sell	99265	1.52
			1.52	18-Oct-2019	-500	Sell	98765	1.52
			1.51	25-Oct-2019	-300	Sell	98465	1.51
			1.49	01-Nov-2019	-1200	Sell	97265	1.49
			1.47	15-Nov-2019	-1400	Sell	95865	1.47
			1.46	22-Nov-2019	-1063	Sell	94802	1.46
			1.44	29-Nov-2019	-1000	Sell	93802	1.44
			1.42	13-Dec-2019	-1551	Sell	92251	1.42
			1.42	27-Dec-2019	-124	Sell	92127	1.42
			1.42	31-Dec-2019	-1	Sell	92126	1.42
			1.40	03-Jan-2020	-1155	Sell	90971	1.40
			1.40	17-Jan-2020	-100	Sell	90871	1.40

			1.39	31-Jan-2020	-536	Sell	90335	1.39
			1.36	21-Feb-2020	-1555	Sell	88780	1.36
			1.36	06-Mar-2020	-502	Sell	88278	1.36
			1.36	13-Mar-2020	-11	Sell	88267	1.36
			1.34	20-Mar-2020	-1005	Sell	87262	1.34
		87262	1.34	31-Mar-2020	0		87262	1.34
4	DINESH LOHIA	22456	0.34	30-Mar-2019	0		22456	0.34
			1.11	07-Jun-2019	50000	Buy	72456	1.11
			1.11	20-Sep-2019	4	Buy	72460	1.11
			1.26	18-Oct-2019	9399	Buy	81859	1.26
			1.26	25-Oct-2019	104	Buy	81963	1.26
			1.26	03-Jan-2020	52	Buy	82015	1.26
		82015	1.26	31-Mar-2020	0		82015	1.26
5	SHWETA DOSHI	62771	0.96	30-Mar-2019	0		62771	0.96
			0.89	17-May-2019	-4700	Sell	58071	0.89
			0.85	24-May-2019	-2648	Sell	55423	0.85
			0.84	31-May-2019	-750	Sell	54673	0.84
		54673	0.84	31-Mar-2020	0		54673	0.84
6	PARUL DAS	55671	0.86	30-Mar-2019	0		55671	0.86
		55671	0.86	31-Mar-2020	0		55671	0.86
7	ASTHA CREDIT AND SECURITIES (P) LTD	50000	0.77	30-Mar-2019	0		50000	0.77
			0.00	07-Jun-2019	-50000	Sell	0	0.00
			0.00	31-Mar-2020	0		0	0.00
8	ARIHANT CAPITAL MKT. LTD	48222	0.74	30-Mar-2019	0		48222	0.74
			0.74	19-Apr-2019	-75	Sell	48147	0.74
			0.74	17-May-2019	49	Buy	48196	0.74
			0.75	24-May-2019	452	Buy	48648	0.75
			0.74	31-May-2019	-501	Sell	48147	0.74
			0.73	14-Jun-2019	-913	Sell	47234	0.73
			0.73	28-Jun-2019	-5	Sell	47229	0.73
			0.43	12-Jul-2019	-19262	Sell	27967	0.43
			0.04	23-Aug-2019	-25192	Sell	2775	0.04
			0.04	06-Sep-2019	101	Buy	2876	0.04
			0.05	13-Sep-2019	499	Buy	3375	0.05
			0.04	20-Sep-2019	-500	Sell	2875	0.04
			0.05	27-Sep-2019	500	Buy	3375	0.05
			0.04	04-Oct-2019	-500	Sell	2875	0.04
			0.05	18-Oct-2019	300	Buy	3175	0.05
			0.04	25-Oct-2019	-500	Sell	2675	0.04
			0.04	15-Nov-2019	20	Buy	2695	0.04
			0.05	22-Nov-2019	581	Buy	3276	0.05
			0.04	29-Nov-2019	-401	Sell	2875	0.04
			0.04	06-Dec-2019	-200	Sell	2675	0.04
			0.02	27-Dec-2019	-1575	Sell	1100	0.02
			0.02	10-Jan-2020	26	Buy	1126	0.02
			0.02	17-Jan-2020	374	Buy	1500	0.02
			0.02	24-Jan-2020	-400	Sell	1100	0.02
			0.03	31-Jan-2020	970	Buy	2070	0.03
			0.00	07-Feb-2020	-1970	Sell	100	0.00
			0.00	14-Feb-2020	161	Buy	261	0.00
			0.02	21-Feb-2020	739	Buy	1000	0.02
			0.00	28-Feb-2020	-900	Sell	100	0.00

		100	0.00	31-Mar-2020	0		100	0.00
9	MULTIBAGGER SECURITIES RESEARCH AND ADVISORY PVT LTD	45900	0.71	30-Mar-2019	0		45900	0.71
			0.72	13-Mar-2020	1000	Buy	46900	0.72
		46900	0.72	31-Mar-2020	0		46900	0.72
10	C GAUTAM GANESH	44699	0.69	30-Mar-2019	0		44699	0.69
			0.66	26-Apr-2019	-1534	Sell	43165	0.66
			0.00	03-May-2019	-43165	Sell	0	0.00
			0.00	31-Mar-2020	0		0	0.00
11	MEHARDEEP SINGH	1757	0.03	30-Mar-2019	0		1757	0.03
			0.58	02-Aug-2019	35693	Buy	37450	0.58
			0.63	30-Sep-2019	3550	Buy	41000	0.63
		41000	0.63	31-Mar-2020	0		41000	0.63
12	HITESH POPATLAL OSWAL	35239	0.54	30-Mar-2019	0		35239	0.54
			0.57	06-Dec-2019	2000	Buy	37239	0.57
			0.60	13-Dec-2019	1500	Buy	38739	0.60
		38739	0.60	31-Mar-2020	0		38739	0.60

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors And KMP	Shareholding at the Beginning of the Year i.e.1-04-2019		Increase / Decrease		Shareholding at the End of the year i.e. 31-03-2020	
		No. of Shares	% of total Shares of company	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Mr. Sanjeev Kumar Singal	6,79,074	10.43	-1000	0.01	6,78,074	10.41
2	Mr. Satish Kumar	3,59,497	5.52	-1000	0.01	3,58,497	5.50
3	Mr. Harpreet Singh Kalra	6,78,957	10.43	-1000	0.01	6,77,957	10.41
4	Mr. Sanjay Dhir	6,79,228	10.43	-1000	0.01	6,78,228	10.41
5	Ms. Himjyoti	-	-	+1000	0.02	1000	0.02
6	Mr. Kuldeep Singh	Nil	Nil	Nil	Nil	Nil	Nil
7	Mr. Ashok Kumar Gupta	Nil	Nil	Nil	Nil	Nil	Nil
8	Mr. Chander Sheel Baweja	Nil	Nil	Nil	Nil	Nil	Nil
9	Mr. Anurag Malhotra	Nil	Nil	Nil	Nil	Nil	Nil

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				
i) Principal Amount	2,794,479	Nil	Nil	2,794,479
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	2,794,479	Nil	Nil	2,794,479
Change in Indebtedness during the financial year				
• Addition	4,53,841	Nil	Nil	4,53,841
• Reduction				
Net Change	4,53,841	Nil	Nil	4,53,841
Indebtedness at the end of the financial year				
i) Principal Amount	3,248,320	Nil	Nil	3,248,320
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	3,248,320	Nil	Nil	3,248,320

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Sanjeev Kumar, Mg. Director & CEO	Mr. Sanjay Dhir, Whole time Director & CFO		
1.	Gross Salary	49,80,000	23,70,000	Nil	73,50,000
	Salary as per provisions contained In section 17(1) of the Income Tax Act	49,80,000	23,70,000	Nil	73,50,000
	Value of perquisites u/s 17(2) Income Tax Act,1961	Nil	Nil	Nil	Nil
	Profits in lieu of salary under Section17(3) Income Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission -As % of Profit -Others, specify	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total(A)	49,80,000	23,70,000	Nil	73,50,000
	Ceiling as per the Act	Nil	Nil	Nil	Nil

B. Remuneration of other directors:

Sr. No.	Particulars of Remuneration	Fee for attending Board/ committee meetings	Commission	Others, please specify	Total Amount
	Independent Directors				
1.	Mr. Ashok Kumar Gupta	Nil	Nil	Nil	Nil
2.	Mr. Chander Sheel Baweja	Nil	Nil	Nil	Nil
3.	Mr. Anurag Malhotra	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil

Sr. No.	Particulars of Remuneration	Fee for attending board committee meetings	Commission	Others, please specify	Total Amount
	Other Non-Executive Directors				
1.	Mr. Satish Kumar	Nil	Nil	Nil	Nil
2.	Ms. Him Jyoti	Nil	Nil	Nil	Nil
3.	Mr. Harpreet Singh	Nil	Nil	Nil	Nil
4.	Mr. Kuldeep Singh	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total(B)= (1+2)	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	KMP (CS)	Total Amount
		Ms. Nayan Deep	
1.	Gross Salary		
	(a)Salary as per provisions contained in section 17 (1) of the Income Tax Act	3,00,000	3,00,000
	(b)Value of perquisites u/s 17(2) Income Tax Act, 1961	Nil	Nil
	Profits in lieu of salary under Section 17 (3) of Income Tax Act,1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission -As % of Profit & Others, specify	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total	3,00,000	3,00,000

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, if any (give details)
A. COMPANY					
Fine	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Date: 10th November, 2020
Place: Chandigarh

For and on behalf of the Board
Zenlabs Ethica Limited

Sd/-	Sd/-
Sanjeev Kumar	Sanjay Dhir
Managing Director	Whole time Director
DIN: 01154896	DIN: 02452461

SECRETARIAL AUDIT REPORT
Form No. MR-3
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Zenlabs Ethica Limited
CIN: L74900CH1993PLC033112
Plot No. 194-195, 3rd Floor
Industrial Area, Phase II, Ram Darbar
Chandigarh-160002, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ZENLABS ETHICA 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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanation and clarification given to us and the representations made by the management, We, hereby report that in our opinion, the Company has, during the audit year covering the financial year ended on March 31, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- I. The Companies Act, 2013 (the Act) and the Rules made there under.
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 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;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
 - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(with effect from 1st December, 2015);

During the year under review, the Company has complied with all the provisions of the Act, Rules, Regulations, Guidelines, Standards and Listing Agreement/Obligations 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 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 is 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.

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

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

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

**For Jaspreet Dhawan & Associates
Company Secretaries**

**Date: 18.09.2020
Place: Mohali**

**Jaspreet Singh Dhawan
FCS 9372
CP. No: 8545
UDIN-F009372B001123991**

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
Zenlabs Ethica Limited
CIN: L74900CH1993PLC033112
Plot No. 194-195, 3rd Floor
Industrial Area, Phase II, Ram Darbar
Chandigarh-160002, India

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of provision of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My 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 Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

**For Jaspreet Dhawan & Associates
Company Secretaries**

**Date: 18.09.2020
Place: Mohali**

**Jaspreet Singh Dhawan
FCS 9372
CP. No: 8545
UDIN-F009372B001123991**

{DISCLOSURE UNDER THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014}

- a) The ratio of remuneration of each director to the median remuneration of the employees;
Total remuneration given to employees during the year ended 31/03/2020: Rs. 3,07,44,273.

Remuneration given to directors:

S. No.	Name of Director	Remuneration as on 01/04/2019	Remuneration as on 31/03/2020	% Change
1.	Sanjeev Kumar	49,80,000	49,80,000	--
2.	Sanjay Dhir	19,20,000	23,70,000	+23.44

- b) % increase in remuneration of each Director, KMP and of % increase in median remuneration of employees
% increase in remuneration of CMD: Nil
% increase in remuneration of KMP: 23.44
% increase in remuneration of median: Nil
- c) Number of permanent employees on the rolls of the company as on 31st March, 2020 is 86 (including CMD).
- d) Justification of increase in managerial remuneration with that of increase in remuneration of other employees: There is no increase in the remuneration of CMD during the year under review. The remuneration of the CMD is revised by the Board generally only on the basis of the performance level of the Company, whereas employee salary is revised every year. The last revision of CMD's remuneration was made in the year NIL. Therefore there is no increase made during the year 2019-20 as decided by the Nomination & Remuneration Committee and the Board.
- e) Affirmation that remuneration is as per remuneration policy of the Company.

I Sanjeev Kumar, Managing Director of the company hereby affirm that all the employees including key managerial personal are paid remuneration as per the remuneration policy formulated by the company and approved by the Board. No employee is treated unfairly or denied any benefits as may be applicable and payable to him as per the company's payment of remuneration policy.

**On behalf of the Board
For Zenlabs Ethica Limited**

**Date: 10th November, 2020
Place: Chandigarh**

**Sd/-
Sanjeev Kumar
Managing Director
DIN: 01154896**

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	N.A.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

Name(s) of the related party	Nature of contracts/ arrangement/ transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances , if any:
Preet Remedies Ltd.	Purchase of Traded Goods	Ongoing	Rs. 22,95,90,176	30-05-2016	Nil
Quixotic Healthcare	Purchase of Traded Goods	Ongoing	Rs. 15,01,61,392	30-05-2016	Nil
Alpha Products	Purchase of Traded Goods	Ongoing	Rs. 4,91,77,394	30-05-2016	Nil
Ultrachiron Healthcare Pvt. Ltd	Purchase of Traded Goods	Ongoing	Rs. 1,97,61,962	30-05-2016	Nil
Quixotic Pharma Pvt Ltd.	Purchase of Traded Goods	Ongoing	Rs. 7,74,61,624	30-05-2016	Nil

On behalf of the Board
For Zenlabs Ethica Limited

Date: 10th November, 2020
Place: Chandigarh

Sd/-
Sanjeev Kumar
Managing Director
DIN: 01154896

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Introduction

Your company is one of the leading marketing companies, which is trading in wide range of branded drugs including GIT disorders, Anti-Diabetics, Anti-Hypertensive Drugs, Anti-Infective, Soaps & Anti-Bacterial Drugs, Nutraceuticals and more. Zenlabs Ethica Ltd corporate sustainability is demonstrated through (a) fair, transparent and ethical governance, (b) engagement with marginalized and vulnerable communities, (c) adherence to and respect for all human rights, (d) reduction of impact of its operations on the environment and (d) promotion of employee well-being and safety.

Management discussion and analysis report reflecting the performance and outlook including the future prospects for the Company is presented herewith.

(a) Industry Structure and development:

The global economy in F.Y. 2019-20 witnessed divergent trends among major economies. Changing economic and business conditions, evolving consumer preferences and globalization are creating an increasingly competitive market environment. Changing economic and business conditions, evolving consumer preferences and globalization are creating an increasingly competitive market environment. Despite unpredictable headwinds, the global economic recovery is gaining momentum.

(b) Opportunities and Threats:

The priorities of the industry are changing, concentrating more on re-organization of operations, development of new markets and marketing techniques, giving the organization's vision a global outlook and retaining and building upon customer relationships. Fragmented markets provide many opportunities for company to expand and increase market share. New markets allow company to expand their business and diversify their portfolio of products and services.

Changes to government rules and regulations can negatively affect the company. Politics can increase company's risk factors, because governments can quickly change business rules that negatively affect company's business. Political Risk has a significant impact; Volatile costs mean company has to plan for scenarios where costs skyrocket. Cautious planning leads to development delays that can negatively affect the company.

(c) Segment wise or product-wise performance:

The currently company is engaged in trading in a wide range of branded drugs including GIT disorders, Anti-Diabetics, Anti-Hypertensive Drugs, Anti-Infective, Soaps & Anti- Bacterial Drugs, Nutraceuticals and more.

(d) Outlook:

The focus for the forthcoming financial year for the Company will be continued delivery in progressing mode and grabbing the opportunities and trying to overcome challenges.

(e) Risks and concerns:

The Board of the Company has formed a risk management policy to frame, implement and monitor the risk management plan for the Company. The Board of Directors are responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. In compliance with the requirement of the Companies Act, 2013 and Listing Agreement guidelines, the Company has established a Whistle Blower Policy /Vigil mechanism Policy and the same is placed on the website of the Company.

In the opinion of Board the rising costs and changing government policies and regulations are the key risk factors that may threaten the existence of the company.

(f) Internal control systems and their adequacy:

Internal Control and Audit is an important procedure and the Audit Committee of your Company reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

Your Company has put in place an adequate internal Control System to safeguard all assets and ensure operational excellence. The system also meticulously records all transaction details and ensures regulatory compliance. The reports are reviewed by the Audit Committee of the Board. Wherever deemed necessary, internal control system are strengthened and corrective actions initiated.

(g) Discussion on financial performance with respect to operational performance:

During the year under review your Company has recorded a turnover of Rs. 599,494,500. However the company reported loss of Rs. 8,664,710 net profit after tax as against previous year profit of Rs. 12,634,390/-

(h) Material developments in Human Resources / Industrial Relations front, including number of people employed:

The relationship with the employees continues to be cordial. The Company recognizes the importance and contribution of its employees for its growth and development and constantly endeavors to train nurture and groom its people. The Company puts emphasis on attracting and retaining the right talent. The company places emphasis on training and development of employees at all levels and has introduced methods and practices for Human Resource Development. There are currently 86 employees in the company.

**On behalf of the Board
For Zenlabs Ethica Limited**

Date: 10th November, 2020
Place: Chandigarh

Sd/-
Sanjeev Kumar
Managing Director
DIN: 01154896

COMPLIANCE CERTIFICATE

[As per Regulation 17(8) of SEBI (LODR) Regulation, 2015]

To,
The Board of Directors
ZENLABS ETHICA LIMITED
Plot No. 194-195, 3rd Floor, Industrial Area, Phase II
Ram Darbar, Chandigarh - 160002.

We, Sanjeev Kumar (DIN: 01154896) ~ Chief Executive Officer & Managing Director and Sanjay Dhir (DIN : 02452461) ~ Chief Financial Officer & Whole time Director of the Company hereby certify that in respect of the financial year ended on March 31, 2020:

- A. We have reviewed financial statements and the cash flow statement for the year March 31, 2020 and that to the best of their knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of 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
- (1) significant changes in internal control over financial reporting during the year;
- (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) 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 and on behalf of
Zenlabs Ethica Limited**

Place: Chandigarh
Date: 29/06/2020

Sd/-
Sanjeev Kumar
CEO

Sd/-
Sanjay Dhir
CFO

DECLARATION

I, SANJEEV KUMAR, CEO of the Company hereby declare that all Board Members and Senior Management Personnel have affirmed compliance with the code on an annual basis.

**On behalf of the Board
For Zenlabs Ethica Limited**

Date: June 29, 2020
Place: Chandigarh

Sd/-
Sanjeev Kumar
Managing Director
DIN: 01154896

INDEPENDENT AUDITORS REPORT

**To,
The Members of
Zenlabs Ethica Limited
Report on the Standalone Financial Statements**

We have audited the accompanying Standalone Financial Statements of ZENLABS ETHICA LIMITED (“the Company”), which comprises of the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Managements Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements 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 and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone financial statements.

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

Basis of Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income and its cash flows for the year ended on that date.

Emphasis of Matters:

We draw attention to point no B(b) in Notes to the Financial Statements in which the Company describes the uncertainties arising from the Covid-19 Pandemic. Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations that would have an impact on its financial position in its standalone financial statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Vijay Darji and Associates
Chartered Accountants

CA Vijay Darji
Proprietor
M No: 105197 FRN: 118614W
Place: Mumbai
Date: 29th June, 2020

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Zenlabs Ethica Limited of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING 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 ZENLABS ETHICA LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2020 based on the internal financial controls with reference to standalone 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 (the “Guidance Note”).

MANAGEMENTS RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company is 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. 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 the Institute of Chartered Accountants of India and the Standards on Auditing 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, to the best of our information and according to the explanations given to us, the Company has, 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 March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vijay Darji and Associates
Chartered Accountants

CA Vijay Darji
Proprietor
M. No: 105197
FRN: 118614W
Place: Mumbai
Date: 29th June, 2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Zenlabs Ethica Limited of even date)

- 1) In respect of Company's Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the details provided to us, we report that all the fixed assets held by the Company are in the name of the Company.
 - (d) In respect of Immovable property taken on lease and disclosed as right-of-use-assets in the standalone financial statements, the lease agreements are in the name of the Company
- 2) In respect of Company's Inventory:
 - (a) According to the information given to us, physical verification of Inventory has been conducted by the management on a timely basis at reasonable intervals, having regards to the size of the Company and nature of business.
 - (b) No material discrepancies having an impact on the financial position of the company as on the said date were noticed during the physical verification of inventory.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, LLP's or any other parties covered in the registers maintained u/s 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- 5) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- 6) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- 7) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- 8) The Company has not defaulted on repayment of loan taken from any Bank or Financial Institution during the period under review and there are no dues outstanding to any debenture holders.

- 9) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- 10) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- 13) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- 14) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- 15) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Vijay Darji and Associates
Chartered Accountants

CA Vijay Darji
Proprietor
M No: 105197
FRN: 118614W
Place: Mumbai
Date: 29th June, 2020
UDIN NUMBER: 20105197AAAABA8795

ZENLABS ETHICA LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Notes	As at year ended March 31, 2020	As at year ended March 31, 2019
		Amount (Rs.)	Amount (Rs.)
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	11,192.83	13,581.95
(b) Capital Work-in-Progress		-	-
(c) Other Intangible Assets		-	-
(d) Financial Assets			
(i) Investments	3	7,019.54	7,019.54
(ii) Loans		-	-
(iii) Other Financial Assets		-	-
(e) Deferred Tax Assets (Net)	4	3,452.50	
(f) Other Non-Current Assets		-	
Total Non-Current Assets - (1)		21,664.87	20,601.49
(2) Current Assets			
(a) Inventories	5	46,049.31	44,530.78
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade and other Receivables	6	2,22,425.19	2,49,599.36
(iii) Cash and Cash Equivalents	7	15,280.12	14,546.92
(iv) Bank Balances other than (iii) above	8	5,649.85	2,120.57
(v) Loans		-	-
(vi) Other Financial Assets	9	415.86	415.86
(c) Other Current Assets	10	28,452.75	17,128.50
		3,18,273.09	3,28,341.98
TOTAL ASSETS - (1) + (2)		3,39,937.97	3,48,943.47
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	65,100.15	65,100.15
(b) Other Equity	12	9,008.34	17,673.05
Total Equity - (1)		74,108.49	82,773.20
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	3,248.32	2,794.48
(b) Provisions	14	3,684.97	2,459.38
(c) Deferred Tax Liability	4	-	169.28
(d) Other Non-Current Liabilities		-	-
Total Non-Current Liabilities - (2)		6,933.29	5,423.14
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	-	-

(ii) Trade Payables	16	2,23,981.73	2,29,783.05
(iii) Other Financial Liabilities	17	11,258.88	13,237.58
(b) Other Current Liabilities	18	23,257.61	17,194.23
(c) Provisions	19	397.96	285.69
(d) Current Tax Liabilities (Net)		-	246.59
Total Current Liabilities - (3)		2,58,896.18	2,60,747.13
TOTAL EQUITY AND LIABILITIES - (1) + (2) + (3)		3,39,937.97	3,48,943.47

For Vijay Darji And Associates
Chartered Accountants
FRN: 118614W
UDIN NUMBER: 20105197AAAABA8795

For and on behalf of the Board

Sd/-
CA Vijay Darji
Proprietor
Mem No: 105197

Sd/-
Sanjeev Kumar
Mg Director & CEO
DIN: 01154896

Sd/-
Sanjay Dhir
Whole time Director & CFO
DIN: 02452461

PLACE: CHANDIGARH
DATE : 29.06.2020

Sd/-
Nayan Deep
Company Secretary
Mem. No. A51218

ZENLABS ETHICA LIMITED			
Statement of Profit and Loss for the year ended 31st March, 2020			
(Amount in '000)			
Particulars	Note No	Current F.Y. 2019-20	Current F.Y. 2018-19
I. Revenue From Operations	20	5,99,494.50	6,72,952.30
II. Other Income	21	520.71	1,614.41
III. Total Revenue (I +II)		6,00,015.21	6,74,566.72
<u>IV. Expenses:</u>			
Cost of Materials Consumed		-	-
Purchase of Stock-in-Trade	22	4,96,110.52	5,47,184.80
Manufacturing and Operating Cost		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(1,518.53)	(27,104.53)
Employee Benefit Expense	24	39,704.00	39,694.16
Financial Costs	25	777.29	712.05
Depreciation Expense	2	2,923.55	2,252.09
Other Expenses	26	73,699.17	92,927.52
Total Expenses		6,11,695.99	6,55,666.09
V. Profit before tax (III - IV)		(11,680.79)	18,900.63
VI. Tax Expense:			
(1) Current Tax		-	5,321.43
(2) Deferred Tax		(3,621.79)	944.81
(3)Tax in respect of earlier year			
(4) MAT credit entitlement.		732.16	
VII. Profit(Loss) from the period from continuing operations (V -VI)		(7,326.84)	12,634.39
VIII. Profit/(Loss) from discontinuing operations		-	-
IX. Tax expense of discontinuing operations		-	-
X. Profit/(Loss) from Discontinuing operations (VIII-IX)		-	-
XI. Profit/(Loss) for the period (VII+X)		(7,326.84)	12,634.39
XII. Other Comprehensive Income/Expenses			
(i) Items that will not be subsequently reclassified to Profit & Loss A/c (Net of Tax)			
Remeasurement gains/(loss) on defined benefit plans		1,337.86	
Income tax effect		-	
(i) Items that will be subsequently reclassified to Profit & Loss A/c (Net of Tax)			

Total Comprehensive Income for the period comprising profit/(loss) and Other Comprehensive Income for the period (Net of Tax)		(8,664.71)	12,634.39
XIII. Earning per equity share:	27		
(1) Basic		(1.33)	1.94
(2) Diluted		(1.33)	1.94
No of Share outstanding		65,10,015.00	65,10,015.00
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.

For Vijay Darji And Associates
Chartered Accountants
FRN: 118614W

For and on behalf of the Board

Sd/-
CA Vijay Darji
Proprietor
Mem No: 105197

Sd/-
Sanjeev Kumar
Mg Director & CEO
DIN: 01154896

Sd/-
Sanjay Dhir
Wholetime Director & CFO
DIN: 02452461

PLACE : CHANDIGARH
DATE : 29.06.2020
UDIN NUMBER: 20105197AAAABA8795

Sd/-
Nayan Deep
Company Secretary
Mem. No. A51218

ZENLABS ETHICA LIMITED
Cash Flow Statement for the Year ended 31-03-2020

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Cash flow from Operating Activity		
Net Profit/(Loss) before tax and extraordinary items	(11,680.79)	18,900.63
Adjustment for		
Depreciation	2,923.55	2,252.09
MAT credit entitlement	732.16	-
Interest Income	(586.00)	(866.01)
Interest Debited to Statement of Profit & Loss	777.29	712.05
Loss on Sale of Fixed Assets	-	612.97
Adjustment in Reserve & Surplus (MAT)	-	
Adjustment of deferred tax provision	3,621.79	(944.81)
Adjustment of current tax provision	-	(5,321.43)
Total adjustment	7,468.77	(3,555.13)
Operating profits before working capital changes	(4,212.01)	15,345.49
Decrease/(Increase) in current / Non- current assets	10,878.88	(46,107.73)
(Decrease)/Increase in current / Non- current liabilities	(2,132.50)	38,810.72
Total Change in working capital	8,746.37	(7,297.01)
Net cash flow from operating activity	4,534.36	8,048.48
Interest Income	586.00	866.01
Purchase of fixed assets	(534.43)	(3,909.81)
Sale of Fixed Assets	-	800.00
Net cash flow from investing activity	51.58	(2,243.80)
Issue of Equity Share Capital		
Borrowings/(Repayments) from/to financial institutions/banks	453.84	(734.58)
Interest charged by bank	(777.29)	(712.05)
Net cash flow from financing activity	(323.44)	(1,446.63)
Net increase/(decrease) in cash and cash equivalents	4,262.49	4,358.06
Cash and cash equivalents at the beginning of the year	16,667.48	12,309.43
Cash and cash equivalents at the end of the year	20,929.98	16,667.48

For Vijay Darji And Associates
Chartered Accountants
FRN: 118614W

Sd/-
CA Vijay Darji
Proprietor
Mem No: 105197

PLACE : CHANDIGARH
DATE : 29.06.2020

For and on behalf of the Board

Sd/-
Sanjeev Kumar
Mg Director & CEO
DIN: 01154896

Sd/-
Sanjay Dhir
Wholetime Director & CFO
DIN: 02452461

Sd/-
Nayan Deep
Company Secretary
Mem. No. A51218

Statement of changes in Equity				
A. EQUITY SHARE CAPITAL				
Particulars		Number of Shares		Amount
Balance as at March 31, 2019		65,10,015		651,00,150
Changes in Equity share capital during the year				
- Issue of Bonus share		-		-
Balance as at March 31, 2020		65,10,015		651,00,150
Changes in Equity share capital during the year		-		-
Balance as at March 31, 2020		65,10,015		651,00,150
B. OTHER EQUITY				
(Amount in '000)				
Particulars	Capital Reserve	Security premium Reserve	Retained Earnings	Total
Balance as at March 31, 2018			8,139	8,139
Profit during the Year			12,634	12,634
Other Comprehensive Income during the year				
Sub total			20,773	20,773
Amount Utilized:				
- Issue of Bonus Share			3,100	3,100
Balance as at March 31, 2019			17,673	17,673
Profit during the Year			(7,326.84)	(7,326.84)
Other Comprehensive Income during the year			(1,337.86)	(1,337.86)
Sub total			9,008.34	9,008.34
Amount Utilized:				
- Issue of Bonus Share			-	-
Adjustments made during the Year:				
- Recognition of Mat Credit of earlier years			-	-
Balance as at March 31, 2020			9,008.34	9,008.34

NOTE 1:**FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST
MARCH 2020****Company overview:**

Zenlabs Ethica Limited [the Company"] is a pharmaceutical company. It deals in marketing and distribution of pharmaceutical products. The company is domiciled in India and is listed on the Bombay Stock Exchange (BSE).

1 SIGNIFICANT ACCOUNTING POLICIES**A. Basis of Accounting**

The financial statements of our company have been prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the Indian Accounting Standards (Ind AS), except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI) and they comply with the Accounting Standards (IND AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies [Indian Accounting Standards] Rules, 2015 and the relevant amendment rules issued thereafter. These items are: (i) Employee defined benefit assets/ (liability) are recognized as the net total of fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation; and (ii) Long-term borrowings are measured at amortized cost using the effective interest rate method.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss for the year ended 31 March 2020, the Statement of Cash Flows for the year ended 31 March 2020 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

These financial statements are approved for issue by the Board of Directors on 29 June, 2020.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria's set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertain its operating cycle as twelve months for the purpose of classification of assets and liabilities into current and non-current. Deferred tax assets and liabilities are classified as non-current only. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Standalone Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Crore, unless otherwise stated.

As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

B Use of estimates

(a) The preparation of Financial Statements is in conformity with the Ind AS requires the Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results may differ from these estimates. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results may differ due to these estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known and materialized. Any revision to accounting estimates is recognized in the period in which the estimate is revised and future periods affected.

(b) The Company is in the business of trading of pharmaceutical products and it was unable to continue its operations during lockdown imposed by the Government of India.

The outbreak of Corona virus disease (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company is monitoring the impact of global health pandemic on its financial position and liquidity. The Company used the principles of prudence in applying judgments, estimates and assumptions based on the current estimates. The Company has considered wherever applicable the possible effects on the carrying amounts of receivables, inventories, loans, investments and other financial assets and as on March 31, 2020. Based on the current indicators of future economic conditions, the management may expect to recover the carrying amount of these assets with certain loss which cannot be quantify as on date. However, the impact of COVID 19 on the Company's Financial Statements may differ from that estimated as of the date of approval of these financial statement and management will continue to closely monitor any material changes to future economic condition.

C. Property, Plant and Equipment

a) Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. "The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is required to be included in the cost of the respective item of property plant and equipment" and "Cost of major inspections is recognized in the carrying amount of property, plant and equipment as a replacement, if recognition criteria are satisfied and any remaining carrying amount of the cost of previous inspection is derecognized. Expenditure on account of modification/alteration in plant & machinery, which increases the future benefit from the existing assets beyond its previous standard of performance, is capitalized.

b) Depreciable amount for Property, Plant and Equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

c) Depreciation on Property, Plant & Equipment is provided on Straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Each component of an item of property, plant & equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other component of the item. Freehold land is not depreciated.

d) Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value of the Asset exceeds its recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss, if any, is recognized in the period in which the impairment takes place.

e) On transition to Ind AS, our Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets.

D. Valuation of Inventories

A. Inventories are valued at lower of cost and net realizable value. Cost of Raw material, Stores & spares, packing material are determined using FIFO method.

B. Cost of inventories have been computed to include all costs of purchase, cost of conversion and other cost incurred in bringing the inventories to their present condition and location.

E. Cash and Cash Equivalent

Cash & Cash Equivalents in the Balance Sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less from the date acquisition, highly liquid investment which are subject to an insignificant risk of changes in value.

F. Government Grants

Government grants are not recognized until there is reasonable assurance that company will comply with the conditions attaching to them an grant will be received.

Government grants are recognized in Statement of Profit & Loss on a systematic basis over the periods in which the company recognizes as expenses the related costs, if any, for which grants intends to compensate.

G. Revenue Recognition

a) The Company has adopted Ind AS 18 for Revenue Recognition. Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Export incentives are recognized as income as per the terms of the scheme in respect of the exports made and included as part of export turnover.

Revenue from sales is recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell / consume the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the acceptance provisions have lapsed.

b) Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.

c) Interest income is recognized in statement of profit & loss account on time basis whereas dividend income is recognized when right to receive the payment is established.

H. Foreign currency transactions:

- a) Foreign currency transactions are recorded as exchange rates prevailing on the date of transaction.
- b) Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date of Balance Sheet. Indian Rupee has been adopted as the functional currency of the company.
- c) Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the Statement of profit & loss.

I. Investment

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

J. Employee Benefits**1. Short Term Employment Benefits**

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

2) Post-Employment Employee Benefits

Retirement benefits to employees comprise payments to government provident funds, gratuity fund and Employees State Insurance.

3) Defined Contribution Plans

- a) The Company's contribution to defined contributions plans such as Provident Fund, Employee State Insurance are recognized in the Statement of Profit and Loss in the year when the contributions to the respective funds are due.
- b) There are no other obligations other than the contribution payable to the respective Funds.

4) Defined Benefit Plans

- a) Gratuity liability is defined benefit obligation. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary, using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

- b) The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in balance sheet with a charge or credit recognizes in other comprehensive income in the period in which they occur.

Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

K. Borrowing Cost

- a) Borrowing Cost includes interest.
- b) Such costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such assets, up to the date the assets are ready for their intended use.
- c) Other borrowing costs are recognized as an expense in the year in which they are incurred.

L. Leases

Ind AS 116 (corresponding to IFRS 16) is under consideration of the National Advisory Committee on Accounting Standards (NACAS). Ind AS 116 is effective for accounting periods beginning on or after from 1 April 2019. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Prior to Ind AS 116, Ind AS 17 required classifying leases as finance lease and operating lease.

The company's significant leasing arrangements are in respect of operating premises, stores & godown. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Rental expenses made under operating leases (net of any incentives received from the lessor) are charged to profit or loss over the period of the lease on straight line basis. Where the rentals are structured solely to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increase, such increases are recognized in the year in which such cost/benefits accrue. The leasing agreements with expiry due ranging between 3 months to four

years are generally renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent including lease rentals.

The relevant disclosures as per Ind AS 116 are:

<i>Year ended</i>	<i>31st March, 2020</i>	<i>31st March, 2021</i>
<i>Right to Use Assets</i>	<i>117,66,699</i>	<i>78,44,466</i>
<i>Lease Liabilities</i>	<i>121,98,405</i>	<i>79,49,511</i>

M. Earnings Per Share:

a) Basic Earnings per Share: Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company
- By weighted average number of equity shares outstanding during the financial year.

b) Diluted Earnings per Share: Diluted earnings per share adjust the figure used in the determination of basic earnings per share to take into account:

- The after income tax effects of the interest and other financing cost associated with dilutive potential equity shares,
- The weighted average number of additional equity share that would have been outstanding assuming the conversion of all dilutive potential equity shares.

N Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial Assets: -

a) Recognition and initial measurement: -

Financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument and are measured initially a fair value adjusted for transaction cost.

b) Subsequent measurement: -

- i) Equity instrument and Mutual Fund: - All equity Instrument and mutual funds within scope of Ind-AS 109 are measured at fair value. Equity instrument and Mutual fund which are held for trading are classified as at fair value through profit & loss (FVTPL). For all other equity instruments, the Company decided to classify them as at fair value through other comprehensive income (FVTOCI).
- ii) Debt instrument: - A 'debt instrument' is measured at the amortized cost if both the following conditions are met. The assets is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the assets given rise on specified dates to cash flows that are solely payments of Principal and Interest on the principal amount outstanding. After initial measurement, such Financial Assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

c) De- recognition of Financial Assets

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or Company has transferred its right to receive cash flow from the asset.

2. Financial Liabilities: -

a) Recognition and initial measurement: -

All Financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. Financial liabilities are classified as amortized cost.

b) Subsequent measurement: -

Subsequent to initial recognition, these liabilities are measured at Amortized cost using the effective interest rate method.

c) De-recognition of Financial liabilities

Financial liabilities are derecognized when the obligation under the liabilities are discharged or cancelled or expires. Consequently, write back of unsettled credit balances is done on closure of the concerned project or earlier based on the previous experience of Management and actual facts of each case and recognized in other Operating Revenues.

d) Further when an existing Financial liability is replaced by another from the same lender on substantially different terms, or the terms of existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

3. Offsetting of Financial Instrument

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Balance sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on net basis, to realize the assets and settle the liabilities simultaneously.

O. Accounting for Taxes on Income

- a) Tax expenses comprise current and deferred tax.
- b) Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961.
- c) Deferred tax reflects the impact of current year timing differences between accounting and taxable income and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognized only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reviewed at each balance sheet date.
- d) Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence 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. In the year in which the company recognizes MAT credit as an asset in accordance with the guidance note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period

P. Impairment of Non-Financial Assets

- a) The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an assets or CGUs net selling price or its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
- b) An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit and loss. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Q. Provisions and Contingencies

- a) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.
- b) Contingent liabilities are not provided for and are disclosed by way of notes. Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

R. Fair Value Measurement

- a) For cash and other liquid assets, the fair value is assumed to approximate to book value, given the short term nature of these instruments. For those items with a stated maturity exceeding twelve months, fair value is calculated using a discounted cash flow methodology.
- b) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
 - Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
 - Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value

measurement is directly or indirectly observable;

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

c) The investment shown in the balance sheet are considered to be investment falling under level 3.

d) For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

S. Expenditure

Expenses are accounted for on accrual basis, net of recoveries, if any.

Disclosure of Related Party Transactions in compliances to Regulation 23(9) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 FOR THE YEAR ENDING 31ST MARCH 2020

1) Names of the related parties and related party relationship: -

1. 1 Key Managerial Personnel:

Mr. Sanjeev Kumar – Managing Director & CEO

Mr. Sanjay Dhir – Whole-time Director & CFO

Ms Nayan Deep Kaur – Company Secretary

2. Enterprises in which Key Managerial Personnel and Directors are interested:

Preet Remedies Limited

Quixotic Healthcare

Ultrachiron Pharmaceutical Pvt Ltd

Oasis Pharma and Phytomolecules Pvt Ltd

Alpha Products

3. Directors on the Board of the Company:

a) Mr. Satish Kumar – Non-Executive Director

b) Mr. Sanjay Dhir – Whole-time Director & CFO

c) Mr. Sanjeev Kumar – Managing Director & CEO

d) Ms Himjyoti – Women Director

e) Mr. Harpreet Singh – Non-Executive Director

f) Mr. Kuldeep Singh – Director

g) Mr. Ashok Kumar Gupta – Independent Director

h) Mr. Chander Sheel Baweja – Independent Director

i) Mr. Anurag Malhotra – Independent Director

4. Relatives of Key Managerial personnel and Directors:

Ms Saroj Singhal W/o Mr. Satish Kumar

2. Transactions during the year with related parties are as under:-:

Nature of transaction	For the year ended 31.03.2020	For the year ended 31.03.2019
Purchase of traded goods:		
Preet Remedies Ltd (Loan License)	–	81,94,258
Preet Remedies Ltd (Unit II)	22,95,90,176.36	21,96,98,080
Quixotic Healthcare (Unit I)	12,21,63,005.04	14,21,74,677
Quixotic Healthcare LL	–	(2,33,980)
Quixotic Healthcare (Unit II)	2,79,98,387	3,41,86,858
Alpha Products	4,91,77,393.96	10,63,30,271
Ultrachiron Pharmaceutical Pvt Ltd	1,97,61,962.24	18,46,664

Oasis Pharma and Phytomolecules Pvt Ltd		1,19,06,298
Quixotic Pharma Pvt. Ltd	7,74,61,624.24	
Rent Paid:		
Mr. Sanjeev Kumar	16,75,800	16,29,250
Ms Himjyoti	16,75,800	16,29,250
Ms Saroj Singhal	16,75,800	16,29,250
Rent Inclusive of GST	56,30,688	57,67,545
Remuneration Paid:		
Mr. Sanjeev Kumar	49,80,000	49,80,000
Mr. Sanjay Dhir	23,70,000	19,20,000
Ms Nayan Deep Kaur	3,00,000	1,08,333
Ms Harmilan Kaur		1,60,516
Ms Bharti Sethi		48,968

BALANCE WITH RELATED PARTIES ARE AS UNDER:

Name of Related Party	31.03.2020	31.03.2019
Preet Remedies Pvt. Limited –Loan License	-	13,65,128
Preet Remedies Ltd Unit II	381,26,270	402,13,660
Quixotic Healthcare Unit I	1071,04,537	870,41,532
Quixotic Healthcare LL	-	-
Quixotic Healthcare Unit II	166,05,000	188,56,612
Alpha Products	159,59,162	390,57,529
Ultrachiron Pharmaceuticals Pvt. Ltd.	29,20,176	42,04,221
Oasis Pharma and Phytomolecules Pvt. Ltd.	4554570.12(Dr)	1,00,430

U. Managing Directors Remuneration

Particulars	Current Year (Rs)	Previous Year (Rs)
Salary & Allowances	73,50,000	69,00,000

U. Other Information

In the Opinion of the Board of Directors, the current assets, loans & advances are approximately of the value stated if realized in the ordinary course of business.

Company as a policy obtains balance confirmation from sundry debtors and creditors on monthly/quarterly/half yearly basis depending upon quantum of transaction made with the parties. Considering the same company does not have all balance confirmations as at 31st March 2020, the effect of the same, if any which is not likely to be material will be adjusted at the time of confirmation

V. Details of Payment to Auditors:

Particulars	Current Year (Rs)	Previous Year (Rs)
Statutory Audit Fee	4,16,000.00	4,16,000.00
Total	4,16,000.00	4,16,000.00

W. Segment Reporting

The company is considered to be a single segment company engaged in the trading of pharmaceutical formulations. Consequently, the company has, in its primary segment, only one reportable business segment.

- X.** Figures have been regrouped/ rearranged wherever necessary to make them comparable with the figure of previous year.

Note 2 -

Changes in Carrying Value of Property, Plant and Equipment for the year ended March 31, 2020

PARTICULARS	Computers	Furniture & Fixtures	Office Equipment's	Electrical Equipment's	Vehicles	Mobile	Plant and Machinery	Total
<i>Cost or Deemed Cost</i>								
<i>Refer Note. 1</i>								
Gross carrying value at April 1, 2019	14,83,331	21,74,648	7,76,720	1,97,923	170,09,171	6,33,445	1,06,590	223,81,829
Additions	1,03,435			-	1,81,080	2,49,910		5,34,425
Deletion				-				-
Gross carrying value at March 31, 2020	15,86,766	21,74,648	7,76,720	1,97,923	171,90,251	8,83,355	1,06,590	229,16,254
Accumulated depreciation as at April 1, 2019	11,63,011	16,18,743	6,14,213	1,84,917	51,08,180	81,680	29,136	87,99,879
Depreciation	1,70,862	2,87,183	73,321	-	21,23,891	2,58,808	9,483	29,23,548
Accumulated depreciation on deletions								-
Accumulated depreciation as at March 31, 2020	13,33,872	19,05,926	6,87,534	1,84,917	72,32,071	3,40,488	38,619	117,23,427
Carrying value as at April 1, 2019	3,20,321	5,55,904	1,62,507	13,006	119,00,991	5,51,765	77,455	135,81,949
Carrying value as at March 31, 2020	2,52,894	2,68,721	89,187	13,006	99,58,180	5,42,867	67,971	111,92,826

Note 3 - Investments

Particulars	As at March 31, 2020	As at March 31,2019
Investment in Equity Instruments	70,19,544	70,19,544
TOTAL	70,19,544	70,19,544

Note 4 - Deferred Tax Liabilities

Particulars	As at March 31, 2020	As at March 31,2019
Opening DTL Liabilities	1,69,284	
Timing differences	(36,21,789)	7,75,525
Current Year adjustment of deferred tax	-	(9,44,809)
TOTAL	(34,52,505)	(1,69,284)
Deferred Tax Liability/(Asset)	(34,52,505)	1,69,284

Movement of Deferred Tax Liability

Particulars	Accounting Base	Tax base	Difference
Depreciation	29,23,548	20,69,846	(8,53,702)
Carried Forward Business Loss & Unabsorbed Depreciation	(108,27,087)	-	(108,27,087)
Gratuity Payable	(13,37,863)	-	(13,37,863.00)
Difference			(130,18,652)
Tax Rate		27.82%	
DTA as on 31.03.2020			(36,21,789)

Note 5 - Inventories

Particulars	As at March 31, 2020	As at March 31,2019
Stock In Trade- Finished goods	460,49,310	445,30,777
GRAND TOTAL	460,49,310	445,30,777

Note 6 - Trade Receivables

Particulars	As at March 31, 2020	As at March 31,2019
Trade Receivable - Considered Good -Secured	-	
Trade Receivable - Considered Good -Unsecured	2224,25,193	2495,99,361
Trade Receivable which have significant increase in credit risk	-	
Trade Receivable - Credit impaired	-	
Less : Allowable for Doubtfull debts		
GRAND TOTAL	2224,25,193	2495,99,361

Note 7- Cash & Cash Equivalents

Particulars	As at March 31, 2020	As at March 31,2019
(a) Balance with banks (excluding bank deposits with more than 12 months of maturity)	9,88,701	140,05,849
(b) Fixed Deposits with Bank	136,07,897	
(c) Cash in Hand	6,83,528	5,41,068
TOTAL	152,80,125	145,46,917

Note 8: Bank Balances other than shown in Note 7

Particulars	As at March 31, 2020	As at March 31,2019
Bank Overdraft	56,49,851	21,20,566
	56,49,851	21,20,566

Note 9 - Other Financial Assests

Particulars	As at March 31, 2020	As at March 31,2019
Interest Accrued on FDR	1,25,560	1,25,560
Rent A/c Security (Off.)	2,80,000	2,80,000
Telephone Security A/c	10,300	10,300
TOTAL	4,15,860	4,15,860

Note 10 - Other Current Assets

Particulars	As at March 31, 2020	As at March 31,2019
- Advance Income Tax	6,00,000	
- Advance to Staff	9,49,883	7,75,886
- GST Recoverable	12	
- Income Tax Refund (2010-11)	2,51,360	2,51,360
- Income Tax Refund (2013-14)	-	1,040
- Income Tax Refund AY 2017-18	1,45,420	1,45,420
- Income Tax Refund AY 2018-19	-	17,87,875
- Income Tax Refund AY 2019-20	4,27,067	
- MAT credit entitlement	90,001	-
- Other Advances	137,61,415	137,61,415
- Prepaid Expenses	2,34,608	3,45,017
- Security Deposit -Sale Tax	11,565	11,565
- Tds Receivable	1,65,802	
- VAT Receivable	48,921	48,921
- Right to Use Asset (Saroj Satish Singal)	39,22,233	-
- Right to Use Asset (Himjyoti Dhir)	39,22,233	-
- Right to Use Asset (Sanjeev Singal)	39,22,233	-

- Right to Use Asset (Manmohan Singh Chadha)	-	
TOTAL	284,52,753	171,28,499

Note 11 - Equity Share Capital

(a)	Particulars	As at March 31, 2020	As at March 31, 2019
	Authorised		
	7000000 (P.Y 7000000) Equity Shares of Rs. 10/- each	700,00,000	700,00,000
	Issued, Subscribed and Paid up		
	6510015 (PY 6510015) Equity Shares of Rs.10/- each fully paid up	651,00,150	651,00,150
	TOTAL	651,00,150	651,00,150

(b) Details of Shareholders holding more than 5% of the aggregate shares in the company

Name of the shareholder	As at March 31, 2020	As at March 31, 2019
Preet remedies Private Limited	20,04,003	20,04,003
% age of Holding	30.78%	30.78%
Sanjeev Kumar	6,78,074	6,79,074
% age of Holding	10.42%	10.43%
Satish Kumar	3,58,496	3,59,497
% age of Holding	5.51%	5.52%
Harpreet Singh	6,77,957	6,78,957
% age of Holding	10.41%	10.43%
Sanjay Dhir	6,78,228	6,79,228
% age of Holding	10.42%	10.43%

(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Shares		
Shares outstanding at the beginning of the year	65,10,015	62,00,014
Shares issued during the year	-	3,10,001
Shares outstanding at the end of the year	65,10,015	65,10,015

Note 12 - Other Equity

(i)	Particulars	As at March 31, 2020	As at March 31, 2019
A	Retained Earnings		
	Profit & Loss Account		
	As per last Balance Sheet	176,73,051	81,38,671
	Add/(Less): profit/(loss) for the period	(86,64,708)	126,34,391
	Less: Dividend declared and paid F.Y 2019-20	-	-
	MAT Credit recognized	-	-
	Less: Provision of I. Tax	-	-

	Less: Bonus share Issue		(31,00,010)
		90,08,344	176,73,051
(ii)	Capital Reserve	-	-
	TOTAL	90,08,344	176,73,051

Retained Earnings

These are free reserves of the company which are kept aside out of company's profit to meet the future requirements as and when they arise.

Note 13 - Borrowings

Particulars	As at March 31, 2020	As at March 31,2019
Secured Loans		
Vehicle Loan- HDFC Bank	16,75,897	14,81,854
Vehicle Loan- Kotak Mahindra Bank	15,72,423	13,12,625
TOTAL	32,48,320	27,94,479

Note: The said loans are secured against the vehicles of the company. Vehicles and loans are standing on the name of Zenlabs India (merged firm).

Vehicle Loan- Kotak Mahindra Bank

Note 14 - Long-Term Provisions

Particulars	As at March 31, 2020	As at March 31,2019
Provision for gratuity	36,84,974	24,59,376
TOTAL	36,84,974	24,59,376

Note 15 - Short Term Borrowing

Particulars	As at March 31, 2020	As at March 31,2019
Bank Overdraft	-	-
TOTAL	-	-

Note 16 - Trade Payables

Particulars	As at March 31, 2020	As at March 31,2019
Total outstanding dues of MSME	11,34,54,508	-
Total outstanding dues of creditors other than MSME	11,05,27,225	2297,83,045
	22,39,81,733	2297,83,045

Note 17 - Other Financial Liabilities

Particulars	As at March 31, 2020	As at March 31,2019
Audit fee payable	2,01,600	1,12,320
Expenses payable	110,57,277	131,25,257
TOTAL	112,58,877	132,37,577

Note 18- Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long Term Debt	-	31,89,636
Lease Liability (Saroj Satish Singal)	40,66,135	-
Lease Liability (Himjyoti Dhir)	40,66,135	-
Lease Liability (Sanjeev Singal)	40,66,135	-
Lease Liability (Manmohan Singh Chadha)	-	-
Other Payable		
Duties, taxes and other statutory dues payable	16,83,206	38,78,594
Advance from Customers	93,76,000	101,26,000
Total	232,57,611	171,94,230

Note 19 –Short-term Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Gratuity	3,97,959	285,694
TOTAL	3,97,959	285,694

Note 20 - Revenue from Operations

Particulars	Current Reporting Period	Previous Reporting Period
Sale of Products	59,94,94,496	6,72,952,303
GRAND TOTAL	59,94,94,496	674,566,717

Note 21 – Other Income

Particulars	Current Reporting Period	Previous Reporting Period
Other Income		
Foreign exchange gain/(Loss)	(2,20,134)	7,06,736
Duty drawback	97,820	41,667
Interest on FDR	5,86,004	8,66,011
Misc. Income	2,573	-
Miscellaneous Accounts W/off	54,446	-
TOTAL	5,20,709	16,14,414

Note 22 - Purchases of Stock-in-Trade

Particulars	Current Reporting Period	Previous Reporting Period
Purchase of Pharmaceutical products	49,61,10,523	547,184,797
TOTAL	49,61,10,523	547,184,797

Note 23 - Changes in Inventories

Particulars	Current Reporting Period	Previous Reporting Period
(a) At the end of the period Stock-in-Trade	4,60,49,310	44,530,777
(a) At the beginning of the period Stock-in-Trade	4,60,49,310	44,530,777
	4,45,30,777	17,426,251
	4,45,30,777	17,426,251
TOTAL	(15,18,533)	{27,104,526}

Note 24 - Employees Benefits Expenses

Particulars	Current Reporting Period	Previous Reporting Period
Salaries and wages	307,44,273	301,30,578
Director's Remuneration	73,50,000	69,00,000
Employer contribution to ESI	1,11,827	1,58,716
Employer contribution to PF	4,17,465	3,71,124
Staff welfare expenses	7,87,671	9,07,714
Gratuity expenses	-	8,26,032
Incentive/Bonus to Staff	2,92,759	4,00,000
TOTAL	32,794,164	28,004,042

Note 25 - Finance Cost

Particulars	Current Reporting Period	Previous Reporting Period
Bank Interest	7,39,567	677,237
Bank Charges	37,719	34,812
TOTAL	7,77,286	712,048

Note 26 - Other Expenses

Particulars	Current Reporting Period	Previous Reporting Period
Advertisement Expenses	28,03,876	94,71,047
Auditor Remuneration	-	4,16,000
Bad debt	1,34,656	-
Boarding and Lodging Expenses	12,98,130	11,04,538
Business Promotion Expenses	26,22,560	50,61,700
Carriage Inward and Outward	173,10,649	204,02,617

Courier and postage	-	1,41,442
Discount & Commission	145,18,303	124,40,116
Donation & Charity	-	80,900
Electricity and water expenses	2,71,996	2,39,763
Fees and Taxes	1,56,471	23,57,017
Festival expenses	44,950	1,73,659
Fuel Charges	83,500	30,000
Insurance expenses	9,43,854	8,41,392
Interest & Penalty	5,810	14,674
Lease Amortisation Expenses	39,22,233	
Lease Interest Expenses	15,36,873	
Listing Fees	3,22,500	-
Loading and unloading expenses	9,50,319	10,05,297
Loss on Sale of Fixed asset	-	6,12,974
Meeting/Promotional expenses	2,11,434	-
Miscellaneous expenses	1,69,185	21,806
Office expenses	5,83,170	11,30,526
Postage & Telegram	1,36,106	-
Printing and stationary	3,21,781	2,15,932
Professional charges	18,61,771	8,03,338
Purchase Expenses	5,649	-
Rebate and Discount	-	68,52,004
Rent expenses	28,41,040	77,43,216
Repair and maintenance expenses	3,48,637	10,70,832
Security expenses	14,41,018	14,07,072
Service Tax	-	-
Software Renewal Expenses	-	15,400
Software Development Charges	54,000	-
Telephone Expenses	2,18,929	3,15,013
Tour and Travel Expenses	179,70,843	182,87,427
Travelling and conveyance expenses	2,26,888	4,63,715
Vehicle Running & Maint. Expenses	3,82,047	2,08,099
TOTAL	7,36,99,175	9,29,27,517

Note 27– Earning Per Share

	Particulars	Current Reporting Period
(a)	Net profit after tax but before Deferred Tax attributable to equity shareholders for Basic EPS	(8,665)
	Add/Less: Adjustment relating to potential equity shares	-
	Net profit after tax but before Deferred Tax attributable to equity shareholders for Diluted EPS	(8,665)
(b)	Weighted average no. of equity shares outstanding during the year	
	For Basic EPS	6,510,015
	For Diluted EPS	6,510,015
(c)	Basic EPS	(1.33)
	Diluted EPS	(1.33)
	Face Value per Equity Share (Rs.)	10

(d) Reconciliation between no. of shares used for calculating basic and diluted EPS No. of shares used for calculating Basic EPS Add: Potential equity shares No. of shares used for calculating Diluted EPS	6,510,015 - 6,510,015
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Note 28

Financial Instruments

(i) Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debts (Total Borrowings offset by Cash and Bank Balance) and total equity of the company

Gearing Ratio:

The Gearing Ratio at the end of the reporting period was as follow:

Particulars	2019-20	2018-19
Total Borrowings	32,48,320	27,94,479
Less : Cash and Bank Balances	2,09,29,976	1,66,67,483
Net Borrowings	-1,76,81,655	-1,38,73,004
Total Equity	7,41,08,494	8,27,73,201
Net Debts to Equity Ratio (%)	-0.24	-0.17

(ii) Financial risk management objectives

Liquidity Risk Management

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting its financial obligation as they fall due. The Company's financial liabilities as on March 31, 2020 is Rs. 2,352.41 Lakhs. Significant portion of the Company's financial assets as on March 31, 2020 is Rs. 2,437.71 Lakhs

Credit Risk Management

Credit risk refers to risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has big reputed corporate as customer based due to which credit risk is very less. Significant portion of the Company's financial assets as at March 31, 2020 comprise of trade receivable, which are held with reputed and credit worthy reputed corporate customers.

(iii) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk. Thus, the Company's exposure to market risk is a function of operating activities in foreign currencies.

(iv) **Currency Risk**

The fluctuation in foreign currency exchange rates may have potential impact on the profit and loss account, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the entity.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

Particulars	2019-20	2018-19
Trade Payables Rs	22,39,81,733	22,97,83,045

Sensitivity analysis

A 10% strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Effect in INR Profit or (loss)

Strengthening Weakening

As at 31st March, 2020 -220133.8

As at 31st March, 2019 706735.8

(Note: The impact is indicated on the profit / loss before tax basis)

(iv) Interest Rate Risk Management

The Company is not exposed to interest rate risk because company borrows funds at Fixed Interest Rate.

Note 29

Disclosures required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006

Particulars	2019-20
Principal amount remaining unpaid to any supplier as at the year end	11,34,54,508
Interest due thereon - -	
Amount of interest paid by the Company in terms of Section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil

ZENLABS ETHICA LIMITED

Regd. Office: Plot No. 194-195, 3rd Floor, Industrial Area, Phase II

Ram Darbar, Chandigarh-160002

CIN: L74900CH1993PLC033112

Tel No.0172-4651105

Website: www.zenlabsethica.com

Email ID: queries@zenlabsethica.com

ATTENDANCE SLIP

(To be presented at the entrance)

Registered Folio No / DP ID No / Client ID No.:	
Name and Address of the Member (s)	
Joint Name(s)	
No. of Shares Held	
Name of the Proxy holder	
Signature of Member (s) / Proxy	

I/We hereby record my/our presence at the **27th ANNUAL GENERAL MEETING** of the Company held on Thursday, the 17th December, 2020 at 11:30 A.M. at the registered office of the Company situated at Plot No. 194-195, 3rd Floor, Industrial Area, Phase II, Ram Darbar, Chandigarh-160002.

Note: Members / Proxies are requested to bring the attendance slip with them.

Electronic Voting Particulars: -

EVSN (Electronic Voting Sequence Number)	*Default PAN
201111001	USE YOUR PAN

* Only Shareholder who have not update their PAN with Company / Depository Participant shall use default PAN in the pan field.

Note: Please read the instructions printed at note 21 of the Notice of Twenty Seventh Annual General Meeting. The E-Voting period starts on Monday the 14th day of December, 2020 (9.00 a.m. IST) and ends on Wednesday, the 16th day of December, 2020 (5.00 p.m. Indian Standard Time). The e-voting module shall be disabled by CDSL for voting thereafter.

**Form No. MGT-11
PROXY FORM**

(Pursuant to Section 105 (6) of the Companies Act, 2013 and rules 19 (3) of the Companies (Management and Administration) Rules, 2014)

ZENLABS ETHICA LIMITED

Regd. Office: Plot No.194-195, 3rd Floor, Industrial Area, Phase II, Ram Darbar, Chandigarh-160002

CIN: L74900CH1993PLC033112

Tel No.0172-4651105

Website: www.zenlabsethica.com

Email ID: queries@zenlabsethica.com

Name of the member (s):.....
Registered Address:
E. Mail Id: Folio No. /Client Id.....
DP ID.....

I/We, being the member(s) holding of.....shares of the above-named Company, hereby appoint

1. Name:
Address:
E. mail ID: Signature: or failing him.....
2. Name:
Address:
E. mail ID: Signature:or failing him.....
3. 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 27th Annual general meeting of the company, to be held on the Thursday, 17th December, 2020 at 11:30 A.M at Plot No. 194-195, 3rd Floor, Industrial Area, Phase II, Ram Darbar, Chandigarh-160002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolutions
Ordinary Business	
1	To receive, consider and adopt the audited financial statements for the year ended 31 st March, 2020 together with the reports of the Board of Directors and Auditors thereon.
2	To appoint a Director in place of Mrs. Himjyoti (DIN: 02398927) Director of the company who retires by rotation and being eligible offers herself for re-appointment.
Special Business	
3	Re-appointment of Sh. Ashok Kumar Gupta (DIN: 07330108) as an Independent Director
4	Recommendation for approval by members of company for revision of remuneration of Mr. Sanjay Dhir Whole Time Director (DIN: 02452461) of the company

Signed this 17th day of December, 2020



Signature of shareholder

Signature of Proxy holder(s)

Note: 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.

Route Map to reach to the Venue of AGM

Venue of AGM:

Zenlabs Ethica Limited

Plot No. 194-195

3rd Floor, Industrial Area

Phase II, Ram Darbar, Chandigarh-160002

