



NOVATEOR RESEARCH LABORATORIES LIMITED

9TH ANNUAL REPORT - 2019-20

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MANAGING DIRECTOR'S MESSAGE TO STAKEHOLDERS



Dear Stakeholders,

It gives me immense pleasure to share with you an update on performance of your Company for the F.Y. 2019-20. This was transformative year for your Company as the Company got listed on SME Platform of Bombay Stock Exchange of India Limited on 13th September, 2019. Your company has taken several pre-emptive measures at various operational levels to ensure sustainable reduction in the cost of production with increased level of efficiency and output. Hence in nutshell I would like to congratulate all the stakeholders, on the excellent performance of your company in terms of overall growth in F.Y. 2019-20.

While year 2020 is a year of extreme economic challenges for the world, a situation aggravated almost beyond measure by the unprecedented COVID-19 pandemic, your Company continued to play on its strengths and posted almost stable financial performance. I would like to extend my sincere gratitude to each and every team member of Novateor Research Laboratories Limited for their relentless efforts, who have responded beyond their call of duty during the nationwide lockdown. Our teams have demonstrated a strong sense of responsibility and have ensured that we continue with business as usual, despite the hardship.

The Company is leading the development of novel personal care products that are intended to provide safe, easy and innovative approach to the existing traditional personal care solutions. At Novateor Research Facility, we develop products that could provide significant clinical as well as commercial advantage.

The manufacturing facility located at Sanand Taluka, Ahmedabad District is well equipped with the state of the art building structure, machineries and technology. Through the semi-Automation of our manufacturing processes, are able to reduce reliance on manual labors and raw materials wastage.

Company's current Teeth Whitening products are sold under brand name **SmileShine**. It manufactures three different variants of Teeth Whitening Strips. Our products are first of a kind in India in teeth whitening industry with FDCA approval. Our Company intends to expand its business in cosmetics, various health care pharma products and specialty pharma in the near future.

Company's Customer base consists of well trained, highly skilled and experienced Dentists. Dentists and other end users have found our products to be innovative, user friendly, safe, pocket friendly and very effective results vis-à-vis traditional teeth whitening products.

We cherish the long-lasting and time-tested relationships with our customers, employees, regulators, business partners, government, lenders and other stakeholders. In conclusion, I would like to thank our business partners and other stakeholders for their continued faith in our abilities and their constant support. We will continue to create long-term, sustainable value for all by being consistent and flexible and I look forward to an exciting journey ahead, together.

Warm Regards,
Navdeep Subhashbhai Mehta
Managing Director

CORPORATE INFORMATION

NOVATEOR RESEARCH LABORATORIES LIMITED

(Formerly known as Novateor Research Laboratories Private Limited)

BOARD OF DIRECTORS

NAME	DESIGNATION
Mr. Navdeep Subhashbhai Mehta	Managing Director
Mr. Tejal Navdeep Mehta	Whole Time Director & Woman Director
Mr. Anand Rajendra Shah	Non-Executive Independent Director
Mr. Chintan Pankaj Shah	Non-Executive Independent Director
Mr. Subhashchandra Maganlal Mehta (resigned w.e.f. 15 th October, 2019)	Non-Executive Independent Director
Mr. Sindhav Vipulbhai (appointed w.e.f. 24 th October, 2019)	Additional (Non-Executive Independent) Director

KEY MANAGERIAL PERSONNEL

NAME	DESIGNATION
Mr. Navdeep Subhashbhai Mehta	Managing Director & Chief Financial Officer
Ms. Poonam Pravinbhai Panchal (appointed w.e.f. 14 th October, 2020)	Company Secretary & Compliance Officer
Mr. Sandip Pravinbhai Gohel (resigned w.e.f. 1 st October, 2020)	Company Secretary & Compliance Officer

AUDIT COMMITTEE

NAME	DESIGNATION	NAME	DESIGNATION
Mr. Chintan Pankaj Shah	Chairman	Mr. Anand Rajendra Shah	Chairman
Mr. Anand Rajendra Shah	Member	Mr. Chintan Pankaj Shah	Member
Mr. Navdeep Subhashbhai Mehta	Member	Mr. Navdeep Subhashbhai Mehta	Member

STAKEHOLDER'S RELATIONSHIP COMMITTEE

NOMINATION & REMUNERATION COMMITTEE

NAME	DESIGNATION
Mr. Anand Rajendra Shah	Chairman
Mr. Chintan Pankaj Shah	Member
Mr. Sindhav Vipulbhai	Member

REGISTERED OFFICE

B-1001, 10th Floor, Block B, Titanium City Center, Anandnagar Rd, 100 Feet Road, Near Sachin Tower, Satellite, Ahmedabad, Gujarat, 380015.

Email: compliance@novateor.com

Website: www.novateor.com

Phone: +91 79 - 4039 5888

PLANT LOCATION

Natraj Ind. Estate, Opp. Bhagyoday Hotel, Village; Vasna-Iyasa, Taluka; Sanand, Ahmedabad- 382110, Gujarat, India

STATUTORY AUDITOR

M/S. Purushottam Khandelwal & CO., Chartered Accountants

216, Madhupura Vyapar Bhawan, Nr. Ganj Bazar, Madhupura, Ahmedabad-380004, Gujarat.

Email: prahlad@pkhandelwal.com

SECRETARIAL AUDITOR

Mr. Mehul Raval, Practicing Company Secretary

406, Ganesh Plaza, Opp. Swaminarayan Avenue, Anjali Vasna Road, Anjali, Ahmedabad - 380007, Gujarat, India

Email: mehulkraval@gmail.com

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Private Limited

Selenium Tower B, Plot Nos. 31 & 32, Financial DistrictNanakramguda, Serilingampally Mandal, Hyderabad 50032, India

Tel. Number: +91 40 67162222/1595

Email: umesh.pandey@kfintech.com, einward.ris@kfintech.com

Web: www.kfintech.com

BANKERS TO THE COMPANY

The Cosmos Cooperative Bank Limited

Shop No.: 3, Ground Floor, Olive Arcade, Off C G Road, Classic Gold Hotel Road, Navrangpura, Ahmedabad- 380009, Gujarat, India

NOTICE OF 9TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninth (9th) Annual General Meeting (AGM) of the Members of Novateor Research Laboratories Limited (Formerly known as Novateor Research Laboratories Private Limited) will be held on Tuesday, 29th September, 2020 at 2:30 P.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESSES:

1. Adoption of Financial Statements:

To consider and adopt the Audited Financial Statement of the Company including the Audited Balance Sheet for the Financial Year ended on 31st March, 2020, the Statement of Profit and Loss and the Cash flow statement for the year end on that date and the report of the Board of Directors and Auditors thereon; and

In this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolutions;

"RESOLVED THAT the audited financial statement of the Company for the financial year ended on 31st March, 2020, the Statement of Profit and Loss and the Cash flow statement for the year end on that date and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. Re-Appointment of Mrs. Tejal Navdeep Mehta (DIN: 03441577) as director liable to retire by rotation:

In this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution;

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Tejal Navdeep Mehta (DIN: 03441577), who retires by rotation at this meeting, be and is hereby re-appointed as a Director of the Company."

3. Appointment of Statutory Auditors and fix their remuneration:

In this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolution;

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions if any of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or reenactment(s) thereof for the time being in force), M/S Purushottam Khandelwal & CO. (Firm Registration No. 123825W), Chartered Accountants, Ahmedabad be and are hereby appointed as the Statutory Auditor of the Company to hold office for a period of five consecutive years from the conclusion of 9th (Ninth) Annual General Meeting of the Company till the conclusion of 14th (Fourteenth) Annual General Meeting of the Company to be held in the calendar year 2024 on such remuneration as may be determined by the Board of Directors of the Company on a year to year basis;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts deeds, things matters and to execute all such documents as may be required to give effect to this Resolution."

SPECIAL BUSINESSES:

4. To appoint Mr. Vipulbhai Sindhav (DIN: 08595440) as Non-Executive Independent Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Vipulbhai Sindhav (DIN: 08595440), who was appointed as an Additional (Non-Executive Independent) Director of the Company by the Board of Directors with effect from 24th October, 2020 and who holds office till the date of this AGM in terms of Section 161 of the Companies Act, 2013, who is eligible for appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and who has submitted a declaration to that effect and declaration under Section 164 of the Companies Act, 2013 declaring that he is not disqualified to become the Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Vipulbhai Sindhav (DIN: 08595440) as a candidate for the office of a Non-Executive Independent Director of the Company and who has submitted declaration under Section 149(6) of the Companies Act, 2013 declaring that he fulfills all the requirement of becoming Non-Executive Independent Director of the Company and whose appointment has been recommended by Nomination and Remuneration Committee and Board of Directors of the Company, be and is hereby appointed as Non-Executive Independent Director of the Company for a period up to Annual General Meeting of the Company to be held in the calendar year 2024, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution including certifying and filing of necessary forms with the Registrar of Companies and issue appointment letter to Mr. Vipulbhai Sindhav (DIN: 08595440) and filing of other necessary forms and documents with the Registrar of Companies."

5. Appointment of Statutory Auditor to fill casual vacancy:

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

"RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, M/S Purushottam Khandelwal & CO. (Firm Registration No. 123825W), Chartered Accountants, Ahmedabad be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Bhagat & Co., (Firm Registration No. 127250W), Chartered Accountants, Ahmedabad."

RESOLVED FURTHER THAT M/S Purushottam Khandelwal & CO. (Firm Registration No. 123825W), Chartered Accountants, Ahmedabad, be and are hereby appointed as Statutory Auditors of the Company to hold the office from 24th July, 2020, until the conclusion of the 9th Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company."

6. To consider resolution on the matters specified under Section 180 (1) (a) of the Companies Act, 2013

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

"RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), to sell / transfer its factory land at Natraj Ind. Estate, Opp. Bhagyoday Hotel, Village; Vasna-Iyasa, Taluka; Sanand, Ahmedabad- 382110, Gujarat, India by negotiation to any party, at a fair value, which in aggregate shall not be less than Rs. 45.00 Lakhs (Rupees Forty-Five Lakhs Only).

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive Agreements, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company, as may be deemed necessary to give effect to this resolution"

7. To consider resolution on the matters specified under Section 180 (1) (a) of the Companies Act, 2013

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

"RESOLVED THAT in supersession of the earlier resolution passed at the Annual General Meeting of the Company authorizing the Board to mortgage/create charge on the assets of the Company and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, including any statutory modification(s) thereto or reenactment(s) thereof, for the time being in force, and in accordance with the Articles of Association of the Company, and subject to such other approvals, consents, sanctions and permissions, as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 10,00,00,000 (Rupees Ten Crores Only) at any point of time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution."

8. To consider resolution on the matters specified under Section 180 (1) (c) of the Companies Act, 2013

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

"RESOLVED THAT in supersession of the earlier resolution passed at the Annual General Meeting of the Company authorizing the Board of Directors of the Company to borrow money from banks/financial institutions and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013, and the Rules made there under, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and in accordance with the Articles of Association of the Company, and subject to such other approvals, consents, sanctions and permissions, as may be necessary,

consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time such sum or sums of money from banks/financial institutions or any other person, firms or body corporate, whether by way of cash credit, Term Loans, advance or deposits, loans, debentures or bill discounting or otherwise, whether secured or unsecured, as they may deem fit notwithstanding however, that the total borrowings exceed the aggregate of paid-up capital and free reserves of the company, provided however that the aggregate of amounts so borrowed and outstanding at any one time (apart from temporary loans obtained from the company's bankers in the ordinary course of business) shall not exceed an amount of Rs. 10,00,00,000 (Rupees Ten Crores) exclusive of interest.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution."

9. To consider resolution on the matters specified under Section 186 of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 6,00,00,000 (Rupees Six Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution."

10. To consider resolution on the matters specified under Section 185 of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 185 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Amendment) Act, 2017 and Rules made thereunder, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company or any other person in whom any of the Directors of the Company is interested/deemed to be interested, up to limits approved by the shareholders of the Company u/s 186 of the Companies Act, 2013, from time to time, in their absolute discretion as may be deemed beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution."

11. Approval of Related Party Transactions

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

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions if any, of the Companies Act, 2013 (the 'Act') read with Companies (Meeting of the Board and its powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approvals, consents, sanctions and permission as may be necessary, consent of the members of the Company be accorded to the Board of Directors of the Company to enter into contracts, arrangements and/or agreements with related parties as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of or buying, leasing of property of any kind, availing or rendering of any services or any other transactions of whatever nature with the following related parties for a period of 5 years, subject to the annual limits as set out below with effect from April 01, 2020:

Sr. No.	Name of the Related Party	Nature of Transactions	Transaction Limit Per Annum (In Rs.)
1.	Tejal Navdeep Mehta	Rent for Office Premises	2,40,000

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution."

12. Preferential cum Right Issue

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

"RESOLVED THAT pursuant to the provisions of Section 42, 71 of the Companies Act, 2013 ("the Act"), read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), as may be necessary, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee thereof) to create, offer, issue and allot Equity Shares of the company on Rights Basis/Preferential Basis in the aggregate amount of up to Rs. 3,50,00,000 (Rupees Three Crores fifty lakhs only), in one or more tranches on private placement/Rights basis during the F.Y. 2020 - 2022 to the eligible investors/Shareholders (the "Issue") (whether residents, non - residents, institutions, banks, incorporated bodies, mutual funds, venture capital funds, financial institutions, individuals, trustees, stabilizing agents or otherwise and whether or not such investors are Members of the Company) within the overall Authorised Capital of the Company on such terms and conditions as the Board may from time to time determine proper and beneficial.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including deciding upon the Proportion of Rights Shares, Rates at which shares are to be issued and other matters in respect of rights Issue. The Board can decide upon the Premium on equity share to be allotted in the rights issue/Preferential allotment.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing the Nomination and Remuneration Committee to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of Preferential/Rights issue as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the members of the Company to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of Preferential/Rights issue and to take all such steps and do all acts as may be incidental or ancillary thereto"

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

Date: 31st August, 2020
Place: Ahmedabad

Navdeep Subhashbhai Mehta
Managing Director
DIN 03441623

IMPORTANT NOTES

1. In view of the continuing Covid-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 5th May, 2020 and Circular No. 22/2020 dated 15th June, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said circulars, the 9th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only.
2. The helpline number regarding any query / assistance for participation in the AGM through VC/ OAVM is +91 022- 23058738/ 022-23058543/ 022-23058542.
3. Information regarding appointment/re-appointment of Director(s) and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
4. Though, pursuant to the provisions of the Act, a Member is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf, since this AGM is being held pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
6. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at www.novateor.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. Bombay Stock Exchange of India Limited at www.bseindia.com and the AGM Notice is also available on the website of CDSL (agency for providing the e-Voting facility) i.e. www.evotingindia.com.

7. In light of the MCA Circulars, the shareholders whether holding equity shares and who have not submitted their email addresses and in consequence to whom the Notice of AGM along with Annual Report 2019-20 could not be serviced, for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants, by following the due procedure.
8. Those shareholders who have already registered their e-mail address are requested to keep their e-mail addresses validated with their depository participants / the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited to enable servicing of notices / documents / annual Reports electronically to their e-mail address.
9. Members holding the shares in dematerialized form are requested to notify immediately, the information regarding change of address and bank particulars to their respective Depository Participant.
10. **PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS AND PARTICIPATING AT THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:**
 - i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020, 05th May, 2020 and SEBI Circular dated 12th May, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL), as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.
 - ii. There being no physical shareholders in the Company, the Register of members and share transfer books of the Company will not be closed. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Friday, 18th September, 2020, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
 - iii. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Friday, 18th September, 2020, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
 - iv. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
 - v. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. Friday, 18th September, 2020.
 - vi. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
 - vii. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
 - viii. The Company has appointed CS Mehul Raval, Practicing Company Secretary (Membership No. ACS: 28155; CP No: 10500), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

INSTRUCTIONS FOR CASTING VOTES BY REMOTE E-VOTING

- (i) The remote e-voting will commence on 9:00 A.M. on Saturday, 26th September, 2020 and will end on 5:00 P.M. on Monday, 28th September, 2020. During this period, the members of the Company holding shares as on the Cut-off date i.e. Friday, 18th September, 2020 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip / communicated by mail indicated in the PAN field.
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

OR Date of Birth (DOB)	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).
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- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Novateor Research Laboratories Limited> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

For Demat shareholders -, please provide Demat account details (CDSL-16-digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to compliancenovateor@gmail.com.

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

- (i) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- (ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request before 10th September, 2020 mentioning their name, demat account number/folio number, email id, mobile number at compliancenovateor@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries before 10th September, 2020 mentioning their name, demat account number/folio number, email id, mobile number at compliancenovateor@gmail.com. These queries will be replied to by the company suitably by email.
- (vi) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- (iv) Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the AGM.

NOTE FOR NON - INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- (i) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- (ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- (iii) 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.
- (iv) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- (v) 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.
- (vi) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; compliancenovateor@gmail.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

EXPLANATORY STATEMENT

(Pursuant to Section 102 (1) of the Companies Act 2013 and Secretarial Standard 2 on General Meetings)

Item No. 4:

To appoint Mr. Vipulbhai Sindhav (DIN: 08595440) as Non-Executive Independent Director of the Company: ORDINARY RESOLUTION

Mr. Vipulbhai Sindhav (DIN: 08595440) was appointed as an Additional (Non-Executive Independent) Director in accordance with the provisions of Section 161 of the Companies Act, 2013 by the Board of Directors at its Board Meeting held on 24th October, 2020. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Vipulbhai Sindhav (DIN: 08595440) will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Vipulbhai Sindhav (DIN: 08595440) for the office of Non-Executive Independent Director of the Company and to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Nomination and Remuneration Committee and the Board of Directors has, at their respective meetings held on 31st August, 2020, considered and recommended the appointment of Mr. Vipulbhai Sindhav (DIN: 08595440) as a Non-Executive Independent Director of the Company to hold office for a period up to Annual General Meeting of the Company to be held in the calendar year 2024, not liable to retire by rotation. In the opinion of Nomination and Remuneration Committee and the Board, Mr. Vipulbhai Sindhav (DIN: 08595440), the Non-Executive Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management.

Mr. Vipulbhai Sindhav (DIN: 08595440) is having vast experience and knowledge in the field of manufacturing, selling and marketing of Oral Care Products. The Company has received from Mr. Vipulbhai Sindhav (DIN: 08595440) (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeking the approval of members for the appointment of Mr. Vipulbhai Sindhav (DIN: 08595440) as Non-Executive Independent Director of the Company to hold office for a period up to Annual General Meeting of the Company to be held in the calendar year 2024, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder is proposed by the Board of Directors. Further, he will not be liable to retire by rotation.

The Board recommends the matter and the resolution set out under Item No. 4 for the approval of the Members by way of passing Ordinary Resolutions.

None of the Directors or Key Managerial Personnel and their immediate relatives are concerned or interested, financially or otherwise, except to their shareholding, in the aforesaid resolution.

Item No. 5:

The Members of the Company at the 8th Annual General Meeting held on 6th September, 2019 had appointed M/s Bhagat & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 127250W) as the Statutory Auditor of the Company to hold office from the conclusion of the 8th Annual General Meeting till the conclusion of the 13th Annual General Meeting of the Company. M/s Bhagat & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 127250W) resigned from the position of Statutory Auditors of the Company w.e.f 15th May, 2020, resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 24th July, 2020, as per the recommendation of the Audit Committee and pursuant to the provisions of section 139(8) under Companies Act, 2013, appointed M/S Purushottam Khandelwal & CO. (Firm Registration No. 123825W), Chartered Accountants, Ahmedabad as the Statutory Auditors to fill the casual vacancy caused due to resignation of M/s Bhagat & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 127250W) subject to the approval by the members in 9th Annual General Meeting of the Company, at such remuneration plus out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company. The Company has received consent letter and eligibility certificate from M/S Purushottam Khandelwal & CO. (Firm Registration No. 123825W) to act as Statutory Auditors of the Company in place of M/s Bhagat & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 127250W), along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. Accordingly consent of the members is sought for passing Ordinary Resolution for Appointment of Statutory Auditors. None of the Directors, Key Managerial Personnel of the Company and their relatives are in way concerned or interested, financially or otherwise, in the Resolutions at Item No: 05. The Board recommends the Resolution at Item No.: 05 for approval of the Members.

Item No. 6:

Members of the Company are requested to note that Section 180 (1)(a) of the Companies Act, 2013 mandates that the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a special resolution. Explanation (i) to Section 180(1) (a) of the Companies Act, 2013 states that the meaning of an 'undertaking' for the purposes of Section 180(1)(a) of the Companies Act, 2013 is an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year. Explanation (ii) to Section 180 (1)(a) of the Companies Act, 2013 states that the meaning of 'substantially the whole of the undertaking' for the purposes of Section 180(1)(a) is in any financial year, twenty percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.

The Company's factory premise is operating from Natraj Ind. Estate, Opp. Bhagyoday Hotel, Village; Vasna-Iyasa, Taluka; Sanand, Ahmedabad- 382110, Gujarat, India.

Company is planning to develop series of verities in existing products, expand subsidiary and supporting products to existing products. These expansions required dedicated well occupied R&D Department with vast carpet area, well-occupied movable assets. So, Accordingly, pursuant to Section 180(1)(a) of the Companies Act, 2013, members of the Company are requested to note that their consent to the Board is being sought by way of a Special Resolution to sell existing factory premise Natraj Ind. Estate, Opp. Bhagyoday Hotel, Village; Vasna-Iyasa, Taluka; Sanand, Ahmedabad- 382110, Gujarat, India by negotiation to any party, at a fair value, which in aggregate shall not be less than Rs.45.00 Lakhs (Rupees Forty-Five Lakhs Only).

After that, all the operations as well as all the movable fixed assets consisting plant and machinery, electricals, furniture and fixtures and other movable assets of the company will be shifted to new place at Plot No.: PE-11, Sanand GIDC Phase 2, Sanand, Ahmedabad; which is also owned and registered on the name of the Company (i.e. Novateor Research Laboratories Limited) with full capacity.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company.

The Board recommends the Special Resolution set forth in Item No. 6 of the Notice for approval of the Members.

Item No. 7 & 8:

In accordance with the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, the following powers can be exercised by the Board of Directors with the consent of the company by a Special Resolution:

- To pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company;
- To borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed the aggregate of the Company's paid-up share capital and free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except.

The Board is of the view that the in order to further expand the business activities of the Company and for meeting the expenses for capital expenditure, the Company may be further required to borrow money, either secured or unsecured, from the banks/financial institutions/other body corporate, from time to time, and to pledge, mortgage, hypothecate and/or charge any or all of the movable and immovable properties of the Company and/or whole or part of the undertaking of the Company. The Board of Directors of the Company proposes to increase the limits to borrow money upto Rs. 10,00,00,000 (Rs. Ten Crores Only) and to secure such borrowings by pledging, mortgaging, hypothecating the movable or immovable properties of the Company amounting up to Rs. 10,00,00,000 (Rs. Ten Crores Only). It is, therefore, required to obtain fresh approval of members by Special Resolution under Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company and to create charge on the assets over the Company under the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolutions. The Board recommends the Special Resolution set out at Item No. 7 and 8 of the Notice for approval by the Members.

Item No. 9:

Pursuant to the provisions of Section 186(2) of the Companies Act, 2013 ('Act'), the Company shall not directly or indirectly: - (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is higher. Pursuant to the provisions of Section 186(3) of the 'Act', where the giving of any loan or guarantee or providing any security or the acquisition of securities exceeds the limits specified in Section 186(2) of the 'Act', prior approval by means of a Special Resolution passed at a General Meeting is necessary. In terms of Rule No.11(1) of the Companies (Meeting of Board and its Powers) Rules ('Rules'), where a loan or guarantee is given or security has been provided by a company to its wholly-owned subsidiary or a joint venture, or acquisition is made by a holding company, by way of subscription of securities of its wholly-owned subsidiary, the requirement of Section 186(3) of the 'Act' shall not apply, however it will be included for the purpose of overall limit. In the normal course of business, the Company may be required to give loans or guarantees or make investments in excess of the limits specified in Section 186(2) of the 'Act'. Accordingly, it is proposed to seek prior approval of Members vide an enabling Resolution to provide loans, guarantees and make investments up to a sum of Rs. 6,00,00,000 (Rs. Six crores only) over and above the aggregate of free reserves and securities premium account of the Company at any point of time.

None of the Directors or Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) is in any way, whether financially or otherwise, concerned or interested, in the said resolution.

The Board of Directors recommends the Special Resolution as set out at Item No. 9 of the Notice for approval by the members.

Item No. 10:

As per the provisions of Section 185 of the Companies Act, 2013, no company shall, directly or indirectly, advance any loan including any loan represented by a book debt, to any of its Directors or to any other person in whom the Director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person. However, in order to promote ease of doing business, the entire Section 185 of the Companies Act, 2013 has been substituted vide Companies (Amendment) Act, 2017 and the same was notified by the Ministry of Corporate Affairs on 7th May, 2018. In terms of the amended Section 185 of the Act, a company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement. The management is of the view that the Company may be required to invest surplus funds, if available in its wholly owned subsidiary Companies or to any other body corporate(s) in which the Directors of the Company are interested, as and when required. Hence, as an abundant caution, the Board decided to seek approval of the shareholders pursuant to the amended provisions of Section 185 of the Act to advance any loan, including any loan represented by book debt, to its subsidiary company(ies) (Indian or overseas) or other body corporate(s) in whom any of the Directors of the Company is interested or to give guarantee or provide any security in connection with any loans/ debentures / bonds etc. raised by its subsidiary company(ies) (Indian or overseas) or other body corporate(s) in whom any of the Directors of the Company is interested up to an aggregate amount of approved by the shareholder of the Company under Section 186 of the Company Act, 2013 over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more. The Board of Directors recommends resolution as set out in item No. 10 for approval of the members of the Company by way of passing a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

Item No. 11:

The Shareholders are requested to approve related party transactions with Tejal Navdeep Mehta for the purpose of Rent of Office Premises. The said office is owned by Mrs. Tejal Navdeep Mehta and is used by the company as its registered office and for the business purpose of the company. The office is furnished and the rent includes the use of this furniture also.

The transaction is in the ordinary course of business and at arm's length, and are not material but the Company, as a matter of abundant caution and prudent corporate practice, proposes to obtain approval of shareholders by way of ordinary resolution. The transactions have been approved by the Audit Committee and also by the Board of Directors subject to the approval of Members by way of an ordinary resolution. The prescribed Rent payable under the contracts shall be competitive, shall be based on the prevailing market price, shall not be prejudicial to the interest of either parties and shall be at arm's length, on the basis of comparable uncontrolled price other than with associate enterprise.

Copy of the documents relating to the previous transactions would be available for inspection without any fee by the Members at the Registered Office of the Company during the normal business hours on any working day.

Item No. 12:

As the members are aware, your Company is exploring various opportunities for the overall growth, Development and Expansion of the business operations of the Company. With a view to meet fund requirements for the aforesaid purpose, the Company would be required to infuse Equity Capital in the company from the existing shareholders of the company/Preferential Allotment to others so as to meet the requirement of Funds for the present and future expansion of the Company.

The Said issue of additional shares will further strengthen the financial position of the Company and will help the company in enabling it to meet its long term and short term needs of working capital and creation of new unit at Sanand, Ahmedabad. For the said purpose

Increasing the Authorised capital of the company will be required and alteration in the memorandum of the Company will also be required. The Said Equity shares will rank pari passu with the existing shares in all rights and obligations.

The board of directors of the Company ("Board") in their meeting held on August, 31st 2020 subject to necessary approval(s), have approved the proposal for raising of funds for an amount not exceeding Rs. 3.50 Crores by way of issue of Equity shares having face value of Rs. 10/- each on Rights/Preferential Allotment Basis.

In terms of Section 62(1)(c) read with section 42 of the Companies Act, 2013 and Rules made thereunder (the 'Act'), and in accordance with the provisions of Chapter V "Preferential Issue" of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations") as amended, and on the terms and conditions and formalities as stipulated in the Act and the ICDR Regulations, the Preferential Issue requires approval of the Members by way of a special resolution. The Board therefore, seeks approval of the Members as set out in the notice, by way of a special resolution.

Subject to approval of the shareholders of the Company, the Board vide its board resolution dated August, 31st 2020 has authorized the issuance and allotment of Equity Shares of the company at a price to be decided as per the market condition, valuation of the company and Last 6 months' average Price at Stock Exchange provided that the minimum price of equity shares so issued shall not be less than the price arrived at, in accordance with Chapter V of the ICDR Regulations.

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

Date: 31st August, 2020
Place: Ahmedabad

Navdeep Subhashbhai Mehta
Managing Director
DIN 03441623

ANNEXURE TO THE NOTICE

The relevant details, pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are as follows:

Name of Director	Mrs. Tejal Navdeep Mehta, (DIN: 03441577)
Date of Birth	22 nd December, 1981
Date of Initial Appointment	1 st April, 2011
Date of Appointment (at current term)	12 th April, 2019
Educational Qualifications	She holds Bachelor and Master degree in Computer Application.
Expertise in specific functional areas - Job profile and suitability	Mrs. Tejal Navdeep Mehta has 5 years of experience in Computer Science in USA and wide variety of skills in business strategic planning and marketing. She also has 5+ years of experience in FMCG sector in Indian market. Currently in Novateor Research Laboratories Limited, she is one of the Promoters and is a Whole-Time Director and looks after Administration and HR division our Company.
Directorships held in other companies (excluding foreign companies, Section 8 companies and Struck off Companies and our Company)	NIL
Memberships / Chairmanships of committees of other public companies	NIL
Shareholding in the Company:	5,40,378 Number of Equity Shares
Inter-se Relationship with other Directors	With Directors & KMP of the Company: Wife of Mr. Navdeep Subhashbhai Mehta (Promoter cum Managing Director & CFO)

Name of Director	Mr. Vipulbhai Sindhav (DIN: 08595440)
Date of Birth	10 th August, 1980
Date of Initial Appointment	24 th October, 2020
Date of Appointment (at current term)	24 th October, 2020
Educational Qualifications	He holds Bachelor's degree in Commerce.
Expertise in specific functional areas - Job profile and suitability	Mr. Sindhav Vipulbhai has vast experience and knowledge in the field of manufacturing, selling and marketing of Dental products.
Directorships held in other companies (excluding foreign companies, Section 8 companies and Struck off Companies and our Company)	NIL
Memberships / Chairmanships of committees of other public companies	NIL
Shareholding in the Company:	NIL
Inter-se Relationship with other Directors	There is no relationship with other Directors of the Company.

**For and on behalf of Board of Directors
Novateor Research Laboratories Limited**

Date: 31st August, 2020
Place: Ahmedabad

**Navdeep Subhashbhai Mehta
Managing Director
DIN 03441623**

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company"), along with the Standalone Audited Financial Statements, for the Financial Year ended on 31st March, 2020.

FINANCIAL RESULTS:

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

(In Rs.)

PARTICULARS	STANDALONE - YEAR ENDED	
	31.03.2020	31.03.2019
I. Net Sales/Income from Operations	3,947,179	4,077,458
II. Other Income	2,683,412	1,064,281
III. Total Revenue (I+II)	6,630,590	5,141,739
IV. Earnings Before Interest, Taxes, Depreciation and Amortization Expense	1,306,554	3,940,089
V. Finance Cost	83,892	33,004
VI. Depreciation and Amortization Expense	956,882	955,282
VII. Profit Before Tax (IV-V-VI)	265,781	2,951,803
VIII. Tax Expense:		
Less: Current Tax Expense	45,500	724,000
Less: Deferred Tax	299,185	43,377
Profit After Tax (VII-VIII)	(78,904)	2,184,426
Add : Balance Brought Forward	2,113,255	-71,171
Profit After Tax (VII-VIII)	2,034,351	2,113,255

COMPANY'S PERFORMANCE:

STANDALONE FINANCIAL RESULTS:

The Total Income from Operations (net) of the Company for the year under review is ₹ 6,630,590 as compared to ₹ 5141739 in the previous year. Loss after tax stood at ₹ 78,904 as compared to Profit after tax of ₹ 2,184,426 in the previous year.

DIVIDEND:

For the Financial Year 2019-20, based on the Company's performance, the Board of Directors have not recommended any dividend.

TRANSFER TO RESERVES:

The Company has transferred of ₹Nil in Reserve and Surplus.

COMPANY BACKGROUND:

The Company was incorporated as "Novateor Research Laboratories Private Limited" as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated 1st April, 2011, bearing Corporate Identification Number U24230GJ2011PTC064731, issued by Registrar of Companies, Gujarat, Dadra and Nagar Havelli.

Subsequently, the Company was converted into a Public Limited Company pursuant to a special resolution passed by the shareholders at Extra-Ordinary General Meeting of the Company held 12th April, 2019 consequent to which the name of the Company was changed to "Novateor Research Laboratories Limited" vide a fresh Certificate of Incorporation dated 30th September, 2019 issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number after conversion of the Company from "Private" to "Public" was U24230GJ2011PLC064731. Further, the Company came up with the Initial Public Offer and got listed on SME Platform of Bombay Stock Exchange of India Limited on 13th September, 2019.

BUSINESS DESCRIPTION:

The Company is leading the development of novel personal care products that are intended to provide safe, easy and innovative approach to the existing traditional personal care solutions. At Novateor Research Facility, we develop products that could provide significant clinical as well as commercial advantage.

The manufacturing facility located at Sanand Taluka, Ahmedabad District is well equipped with the state of the art building structure, machineries and technology. Through the semi-Automation of our manufacturing processes, are able to reduce reliance on manual labors and raw materials wastage.

Company's current Teeth Whitening products are sold under brand name **SmileShine**. It manufactures three different variants of Teeth Whitening Strips. Our products are first of a kind in India in teeth whitening industry with FDCA approval. Our Company intends to expand its business in cosmetics, various health care pharma products and specialty pharma in the near future for which the company will shift its manufacturing operations to the new premises located at GIDC, Sanand.

Company's Customer base consists of well trained, highly skilled and experienced Dentists. Dentists and other end users have found our products to be innovative, user friendly, safe, pocket friendly and very effective results vis-à-vis traditional teeth whitening products.

CHANGE IN NATURE OF BUSINESS:

During the year, your Company has not changed its business or object and continues to be in the same line of business as per main object of the Company.

CHANGE IN THE REGISTERED OFFICE:

During the year under review, the registered office of the Company has been shifted from 128, Sardar Patel Colony, Naranpura, Ahmedabad, Gujarat to 4, 5th Floor, Kalapurnam Complex, Near Municipal Market, C G Road, Navrangpura, Ahmedabad- 380009, Gujarat, India w.e.f. 1st May, 2019 and thereafter again shifted from 4, 5th Floor, Kalapurnam Complex, Near Municipal Market, C G Road, Navrangpura, Ahmedabad- 380009, Gujarat, India to B-1001, 10th Flr, Block B, Titanium City Center, Nr Sachin Tower, Anandnagar Rd, 100 Ft Rd, Satellite, Ahmedabad- 380015, Gujarat, India w.e.f. 24th June, 2019.

SHARE CAPITAL:

During the year under review, the following changes have taken place in the authorized and paid-up share capital of the Company:

➤ AUTHORIZED CAPITAL:

The Authorised Capital of the Company was increased from ₹ 3,07,00,000/- (Rupees Three Crore Seven Lakhs Only) divided into 3,07,000 (Thirty Lakh Seventy Thousand) Equity Shares of ₹10/- (Rupees Ten Only) each to ₹ 4,88,00,000 (Rupees Four Crore Eighty Eight Lakhs Only) divided into 48,80,000 (Forty Eight Lakhs Eighty thousand) Equity Shares of ₹ 10/- (Rupees Ten Only) each vide Ordinary Resolution passed by the Members in their Extra-ordinary General Meeting held on 17th June, 2019.

➤ ISSUED, SUBSCRIBED & PAID-UP CAPITAL:

Pursuant to the Initial Public Offer of Equity Shares by the Company, the Board of Directors, in their meeting held on 9th September, 2019, has allotted total 18,72,000 (Eighteen Lakhs Seventy Two Thousand) Equity Shares ₹ 10/- (Rupees Ten Only) each at price of ₹24/- per Equity Share to the successful allottees, whose list have been finalized by the Company, the Registrar to the issue and merchant banker in consultation with Bombay Stock Exchange of India Limited.

The present paid-up capital of the Company is ₹ 4,83,41,700/- (Rupees Four Crore Eighty Three Lakhs Forty One Thousand Seven Hundred Only) divided into 48,34,170 (Forty Eight Lakhs Thirty Four Thousand One Hundred and Seventy) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

INITIAL PUBLIC OFFER AND LISTING OF EQUITY SHARES:

The Board of Directors had, in its meeting held on 24th June, 2019, proposed the Initial Public Offer upto 18,72,000 equity shares at an issue price of Rs. 24/- (Rupees Twenty-Four Only) as may be decided by the Board of Directors in consultation with the Merchant Banker. The Members of the Company had also approved the proposal of the Board of Directors in their Extra-ordinary General Meeting held on 1st July, 2019.

Pursuant to the authority granted by the Members of the Company, the Board of Directors appointed First Overseas Capital Limited as Lead Manager and appointed KFin Technology Private Limited (Formerly known as Karvy Fintech Private Limited) as Registrar to the Issue and Share Transfer Agent for the proposed Public Issue.

The Company applied to Bombay Stock Exchange of India Limited ("BSE") for in-principle approval for listing its equity shares on the SME Platform of the BSE. Bombay Stock Exchange of India Limited has, vide its letter dated, 16th August, 2019, granted its In-Principle Approval to the Company.

The Company had filed Prospectus to the Registrar of the Company, Ahmedabad on 27th August, 2019. The Public Issue was opened on Friday, 30th August, 2019 and closed on Wednesday, 4th September, 2019. The Basis of Allotment was finalized by Company, Registrar to the issue and merchant banker in consultation with the BSE on 12th September, 2019. The Company has applied for listing of its total equity shares to NSE and it has granted its approval vide its letter dated 12th September, 2019. The trading of equity shares of the Company commenced on 13th September, 2019 at SME Platform of BSE.

The Equity Shares of the Company are listed on the SME Platform of BSE. The Company confirms that the annual listing fees to the stock exchange for the Financial Year 2019-20 & 2020-21 have been paid.

UTILISATION OF IPO PROCEEDS:

The Company raised funds of ₹ 449.28 Lakhs through Initial Public Offering (IPO). The gross proceeds of IPO has been utilized in the manner as proposed in the Offer Document, the details of which are hereunder:

(₹ in lakhs)

Sr. No.	Original Object	Original Allocation	Funds Utilized
1.	Additional Working Capital	424.28	424.28
3.	Issue Related Expenses	25.00	25.00

Further, there is no deviation/variation in the utilization of the gross proceeds raised through IPO.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Constitution of Board:

As on the date of this report, the Board comprises of following Directors;

Name of Director	Designation	Date of Original Appointment	Date of Appointment at current Term & designation	Total Director ship	No. of Committee ¹		No. of Shares held as on 31 st March, 2020
					in which Director is Member	in which Director is Chairperson	
Mr. Navdeep Subhashbhai Mehta	Managing Director	1 st April, 2011	12 th April, 2019	1	2	-	14,28,858 Equity Shares
Mrs. Tejal Navdeep Mehta	Whole Time Director & Woman Director	1 st April, 2011	12 th April, 2019	1	-	-	5,40,378 Equity Shares
Mr. Anand Rajendra Shah	Non-Executive Independent Director	1 st May, 2019	1 st May, 2019	3	2	1	Nil
Mr. Chintan Pankaj Shah	Non-Executive Independent Director	15 th July, 2019	15 th July, 2019	1	2	1	Nil
Mr. Sindhav Vipulbhai	Additional Non-Executive Independent Director	24 th October, 2019	24 th October, 2019	1	-	-	Nil

¹ Committee includes Audit Committee and Stakeholder's Relationship Committee across all Public Companies.

² Excluding LLPs, Section 8 Company & Struck Off Companies.

The composition of Board complies with the requirements of the Companies Act, 2013 ("Act"). Further, in pursuance of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is exempted from the requirement of having composition of Board as per Regulation 17 of Listing Regulations.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

None of the Director of the Company is serving as a Whole-Time Director / Managing Director in any Listed Company and is holding position of Independent Director in more than 3 Listed Company. Neither any of the Director of the Company is holding position as Director in more than 7 listed entities nor any of the Director of the Company serve as an Independent Director in more than 7 listed entities.

DISCLOSURE BY DIRECTORS:

The Directors on the Board have submitted notice of interest under Section 184(1) i.e. in Form MBP 1, intimation under Section 164(2) i.e. in Form DIR 8 and declaration as to compliance with the Code of Conduct of the Company.

BOARD MEETING:

Regular meetings of the Board are held at least once in a quarter. Additional Board meetings are convened, as and when require, to discuss and decide on various business policies, strategies and other businesses. The Board meetings are generally held at the registered office of the Company.

During the year under review, Board of Directors of the Company met 13 times on 1st May, 2019; 10th June, 2019; 24th June, 2019; 1st July, 2019; 15th July, 2019; 20th July, 2019; 6th August, 2019; 9th September, 2019; 12th September, 2019; 1st October, 2019; 14th October, 2019; 24th October, 2019; 13th February, 2020.

Pursuant to General Circular No. 11 /2020 dated 24th March, 2020, issued by Ministry of Corporate Affairs and in view of current extraordinary circumstances due to the pandemic caused by Covid-19 prevailing in the country, the mandatory requirement of holding meetings of the Board of the Companies within the intervals provided in section 173 of the Companies Act, 2013 (120 days) stands extended by a period of 60 days till next two quarters i.e. till 30th September, 2020. Accordingly, though planned Board Meeting could not be held in March, 2020, the Company is compliant to the Section 173 of the Companies Act, 2013.

The details of attendance of each Director at the Board Meetings and Annual General Meeting are given below:

Name of Director	Mr. Navdeep Subhashbhai Mehta	Mrs. Tejal Navdeep Mehta	Mr. Anand Rajendra Shah	Mr. Chintan Pankaj Shah	Mr. Sindhav Vipulbhai
Number of Board Meeting held	13	13	13	13	13
Number of Board Meetings Eligible to attend	13	13	13	9	2
Number of Board Meeting attended	13	13	13	9	2
Presence at the previous AGM of F.Y. 2018-2019	Yes	Yes	Yes	Yes	No

GENERAL MEETINGS:

During the year under review, the following General Meetings were held, the details of which are given as under:

Sr. No.	Type of General Meeting	Date of General Meeting
1.	Extra Ordinary General Meeting	12 th April, 2019
2.	Extra Ordinary General Meeting	17 th June, 2019
3.	Extra Ordinary General Meeting	1 st July, 2019
4.	Annual General Meeting	6 th September, 2019

INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Act. A separate meeting of Independent Directors was held on 13th February, 2020 to review the performance of Non-Independent Directors and Board as whole and performance of Chairperson of the Company including assessment of quality, quantity and timeliness of flow of information between Company management and Board.

The terms and conditions of appointment of Independent Directors and Code for Independent Director are incorporated on the website of the Company at www.novateor.com.

INFORMATION ON DIRECTORATE:

During the year under review, **Mr. Navdeep Subhashbhai Mehta** was appointed as Managing Director of the Company w.e.f. 12th April, 2019 vide resolution passed by the Members in their Extra-ordinary General Meeting held on 12th April, 2020. He has been appointed as Managing Director of the Company for a period of five year w.e.f. 12th April, 2019 on the terms and conditions as approved by the Board of Directors and Members.

In the same Extra-ordinary General Meeting, **Mrs. Tejal Navdeep Mehta** was appointed as Whole Time Director of the Company w.e.f. 12th April, 2019 vide resolution passed by the Members in their Extra-ordinary General Meeting held on 12th April, 2020. She has been appointed as Whole Time Director of the Company for a period of five year w.e.f. 12th April, 2019 on the terms and conditions as approved by the Board of Directors and Members.

Mr. Chirag Ramkrishna Pandya, vide his resignation letter dated 10th June, 2019, tendered his resignation from the Directorship of the Company w.e.f. 10th June, 2019. The Board of Directors has noted the resignation of Mr. Chirag Ramkrishna Pandya in their meeting held on 10th June, 2019.

In the 8th Annual General Meeting for the F.Y. 2018-19 held on 6th September, 2019; the Members have, up on recommendation by the Board of Directors and pursuant to notice received under Section 160 of the Companies Act, 2013, appointed Mr. Anand Rajendra Shah and Mr. Chintan Pankaj Shah as Non-Executive Independent Directors of the Company for a periods of five year upto 30th April, 2024.

Mr. Subhashchandra Maganlal Mehta, vide his resignation letter dated 15th October, 2019, tendered his resignation from the Directorship of the Company w.e.f. 15th October, 2019. The Board of Directors has noted the resignation of Mr. Subhashchandra Maganlal Mehta in their meeting held on 24th October, 2019 and placed their appreciation to Mr. Subhashchandra Maganlal Mehta for rendering his professional services.

On 24th October, 2020, the Board of Directors of the Company has appointed Mr. Sindhav Vipulbhai as Additional (Non-Executive Independent) Director of the Company. In terms of Section 161 of the Companies Act, 2013, Mr. Sindhav Vipulbhai, Additional (Non-Executive Independent) Director of the Company hold office up to the date of ensuing Annual General Meeting of the Company.

In the opinion of the Board of Directors and Nomination and Remuneration Committee, Mr. Sindhav Vipulbhai is independent to the management of the Company and qualified to be appointed as such and hence recommends his appointment as Non-Executive Independent Director on the Board of the Company. Necessary resolution for his appointment as Non-Executive Independent Director is proposed for the approval of the Members at the ensuing Annual General Meeting.

In accordance with the provisions of the Articles of Association and Section 152 of the Companies Act, 2013, Mrs. Tejal Mehta, Whole Time Director of the Company retires by rotation at the ensuing annual general meeting. She, being eligible, has offered herself for

re-appointment as such and seeks re-appointment. The Nomination and Remuneration Committee and Board of Directors recommends her re-appointment on the Board.

The relevant details, as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking appointment / re-appointment as Director is annexed to the Notice convening the 9th annual general meeting.

DETAILS OF KEY MANAGERIAL PERSONNEL:

During the year under review and in terms of Section 203 of the Companies Act, 2013, the Company has appointed Mr. Navdeep Subhashbhai Mehta, Managing Director, as Key Managerial Personnel of the Company.

Further, the Company appointed Mr. Navdeep Subhashbhai Mehta as a Chief Financial Officer of the Company w.e.f. 24th June, 2019.

Moreover, Mr. Sandip Pratapbhai Gohel was appointed as Company Secretary & Compliance Officer of the Company w.e.f. 6th August, 2019 who tendered his resignation w.e.f. 1st October, 2020. The Company has in his place, appointed Ms. Poonam Pravinbhai Panchal as Company Secretary & Compliance Officer of the Company w.e.f. 14th October, 2020.

PERFORMANCE 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.

In addition, the performance of chairman was also evaluated on the key aspects of his role.

The Board and the Nomination and Remuneration Committee 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.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 134(5) of the Companies Act, 2013 the Board of Directors to the best of their knowledge and ability confirm that:

- In preparation of Annual Accounts for the year ended 31st March, 2020 the applicable accounting standards have been followed and that no material departures have been made from the same;
- The Directors have selected such accounting policies and applied them consistently and have 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 or loss of the Company for that year;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts for the year ended 31st March, 2020 on going concern basis;
- The Directors have laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMMITTEE OF BOARD:

The Board of Directors in line with the requirement of the Companies Act, 2013 has formed various committees, details of which are given hereunder:

A. AUDIT COMMITTEE:

The Board of Directors in their meeting held on 15th July, 2019 had formed Audit Committee in line with the provisions of Section 177 of the Companies Act, 2013. The detailed terms of reference of the Committee is as per Section 177 of the Companies Act, 2013.

During the year under review, the Audit Committee met 2 (Two) times during the Financial Year 2019-20, on 14th November, 2019 and 13th February, 2020.

The composition of the Committee during the year and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the Financial Year 2019-20		
			Held	Eligible to attend	Attended
Mr. Chintan Pankaj Shah	Non-Executive Independent Director	Chairperson	2	2	2
Mr. Anand Rajendra Shah	Non-Executive Independent Director	Member	2	2	2
Mr. Navdeep Subhashbhai Mehta	Managing Director & CFO	Member	2	2	2

The Statutory Auditors and Chief Financial Officer of the Company are invited in the meeting of the Committee wherever requires. Further, the Company Secretary of the Company is acting as Secretary to the Audit Committee.

Recommendations of Audit Committee wherever / whenever given have been accepted by the Board.

Vigil Mechanism:

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior actual or suspected fraud or violation of Company's Code of Conduct.

Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safeguards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at www.novateor.com.

B. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The Board of Directors in their meeting held on 15th July, 2019 has formed Stakeholder's Relationship Committee mainly to focus on the redressal of Shareholders' / Investors' Grievances if any like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc. The Stakeholders Relationship Committee shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The detailed terms of reference of the Committee is as per Section 178 of the Companies Act, 2013.

During the year under review, Stakeholder's Relationship Committee met 2 (Two) time viz on 14th November, 2019 and 13th February, 2020. The composition of the Committee and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the Financial Year 2019-20		
			Held	Eligible to attend	Attended
Mr. Anand Rajendra Shah	Non-Executive Independent Director	Chairperson	2	2	2
Mr. Chintan Pankaj Shah	Non-Executive Independent Director	Member	2	2	2
Mr. Navdeep Subhashbhai Mehta	Managing Director & CFO	Member	2	2	2

During the year under review, the Company had not received any complaint from the Shareholder during F.Y. 2019-20.

C. NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors in their meeting held on 15th July, 2019 has formed Nomination and Remuneration committee in line with the provisions of Section 178 of the Companies Act 2013. The detailed terms of reference of the Committee is as per Section 178 of the Companies Act, 2013.

During the year under review Nomination and Remuneration Committee met 2 (Two) time viz on 14th November, 2019 and 13th February, 2020. The composition of the Committee and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the Financial Year 2019-20		
			Held	Eligible to attend	Attended
Mr. Anand Rajendra Shah	Non-Executive Independent Director	Chairperson	2	2	2
Mr. Chintan Pankaj Shah	Non-Executive Independent Director	Member	2	2	2
Mr. Subhashchandra Maganlal Mehta	Non-Executive Independent Director	Member	2	2	2

The Nomination and Remuneration Committee was reconstituted by the Board of Directors on 14th November, 2019, due to resignation of Mr. Subhashchandra Maganlal Mehta from the Directorship of the Company. The present constitution of the Committee is as follows:

Name of the Directors	Category	Designation
Mr. Anand Rajendra Shah	Non-Executive Independent Director	Chairperson
Mr. Chintan Pankaj Shah	Non-Executive Independent Director	Member
Mr. Sindhav Vipulbhai	Non-Executive Independent Director	Member

NOMINATION AND REMUNERATION POLICY:

Nomination and Remuneration Policy in the Company is designed to create a high-performance culture. It enables the Company to attract motivated and retained manpower in competitive market, and to harmonize the aspirations of human resources consistent with the goals of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors and Key Managerial Personnel.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at www.novateor.com and is annexed to this Report as **Annexure - A**.

REMUNERATION OF DIRECTORS:

The details of remuneration paid during the Financial Year 2019-20 to Directors of the Company is provided in (Form MGT-9) which is annexed to this Report as **Annexure - B**.

PUBLIC DEPOSIT:

The company has not accepted any deposits from the public. Hence the directives issued by the Reserve Bank of India & the Provision of Section 73 to 76 of the Company Act 2013 or any other relevant provisions of the Act and the Rules there under are not applicable.

PARTICULARS OF LOANS GUARANTEES INVESTMENTS & SECURITY:

Details of Loans Guarantees Investments and Security covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed to this Report as **Annexure - B**.

SUBSIDIARIES OF THE COMPANY:

Your Company does not have any subsidiary company during the year; hence consolidation of financial data of the subsidiary company is also not applicable to the Company for the financial year 2019-20.

ASSOCIATES AND JOINT VENTURE OF THE COMPANY:

During the year under review, the Company does not have any Associate or Joint Venture.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the financial year 2019-20, there was no materially significant related party transaction undertaken by the Company under Section 188 of the Companies Act, 2013 read with rules framed there under and Regulation 23 of SEBI (LODR) Regulations, 2015 that may have potential conflict with the interest of the Company. Disclosure on related party transactions is set out in financial statements.

PARTICULAR OF EMPLOYEES:

The ratio of the remuneration of each whole-time director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure - C**.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

MATERIAL CHANGES AND COMMITMENT:

There are no material changes and commitments affecting the financial position of the Company have occurred between the ends of Financial Year of the Company i.e. 31st March, 2020 to the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS:

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status and the Company's operations in future.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

To foster a positive workplace environment free from harassment of any nature we have framed Prevention of Sexual Harassment Policy through which we address complaints of sexual harassment at all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate.

During the year under review there were no incidences of sexual harassment reported.

ENERGY CONSERVATION TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules 2014 as amended from time to time is annexed to this Report as **Annexure -D**.

SECRETARIAL STANDARDS OF ICSI:

The Company is in compliance with the Secretarial Standard on Meetings of the Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

RISK MANAGEMENT:

A well-defined risk management mechanism covering the risk mapping and trend analysis risk exposure potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact if triggered. A detailed exercise is being carried out to identify evaluate monitor and manage both business and non-business risks.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate and efficient internal and external control system, which provides protection to all its assets against loss from unauthorized use and ensures correct reporting of transactions. The internal control systems are further supplemented by internal audits carried out by the respective Internal Auditors of the Company and Periodical review by the management. The Company has put in place proper controls, which are reviewed at regular intervals to ensure that transactions are properly authorised, correctly reported and assets are safeguarded.

CORPORATE GOVERNANCE:

Integrity and transparency are key factors to our corporate governance practices to ensure that we achieve and will retain the trust of our stakeholders at all times. Corporate governance is about maximizing shareholder value legally, ethically and sustainably. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

As our company has been listed on SME Platform of Bombay Stock Exchange Limited (BSE), by virtue of Regulation 15 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the compliance with the corporate Governance provisions as specified in regulation 17 to 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 and Para C D and E of Schedule V are not applicable to the company. Hence Corporate Governance Report does not form a part of this Board Report, though we are committed for the best corporate governance practices.

STATUTORY AUDITOR AND THEIR REPORT:

The Company in its Board Meeting held on 24th July, 2020 appointed M/s Purushottam Khandelwal & CO. (Firm Registration No. 123825W), Chartered Accountants, Ahmedabad as Statutory Auditors of the company, to fill the causal vacancy of resignation of M/s Bhagat & Co., (Firm Registration No. 127250W), Chartered Accountants, Ahmedabad. The appointed Statutory Auditor has hold office from the board meeting held on 24th July, 2020 to 9th Annual General Meeting subject to Re-appointment from the conclusion of 9th (Ninth) Annual General Meeting of the Company, till the conclusion of the 14th (Fourteenth) Annual General Meeting to be held in the calendar year 2025. However, their terms of appointment and remuneration shall be ratified by the members of the Company in this AGM.

The Notes to the Standalone Financial Statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act 2013.

The Auditors' Report does not contain any qualification reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

In terms of Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 a review of the performance of the Company for the year under review Management Discussion and Analysis Report is presented in a separate section which is annexed to this Report as **Annexure - E**.

SECRETARIAL AUDITOR AND THEIR REPORT:

The Company has appointed Mr. Mehul Raval, Practicing Company Secretaries, to conduct the secretarial audit of the Company for the Financial Year 2019-20, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the Financial Year 2019-20 is annexed to this report as an **Annexure - F**.

REPORTING OF FRAUD:

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

WEBSITE:

As per Regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 the Company has maintained a functional website namely "www.novateor.com" containing basic information about the Company. The website of the Company is containing information like Policies, Shareholding Pattern, Financial and information of the designated officials of the Company who are responsible for assisting and handling investor grievances for the benefit of all stakeholders of the Company etc.

GENERAL DISCLOSURE:

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134 (3) of the Act and Rule 8 of The Companies (Accounts) Rules 2014 and other applicable provisions of the act and listing regulations to the extent the transactions took place on those items during the year. Your Directors further state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- (i) Details relating to deposits covered under Chapter V of the Act;
- (ii) Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
- (iii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;

- (iv) Annual Report and other compliances on Corporate Social Responsibility;
- (v) There is no revision in the Board Report or Financial Statement;
- (vi) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENT:

Your Directors acknowledge the dedicated service of the employees of the Company during the year. They would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from bankers, financial institutions, business partners and other stakeholders.

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

Date: 31st August, 2020
Place: Ahmedabad

Navdeep Subhashbhai Mehta
Managing Director & CFO
DIN: 03441623

Tejal Navdeep Mehta
Whole Time Director
DIN: 03441577

ANNEXURE - A

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in Compliance with Section 178 of the Companies Act, 2013, as amended from time to time. This policy on Nomination and Remuneration of the Directors, Key Managerial Personnel and Senior Management has been approved by the Board of Directors in its duly held Board Meeting dated 15th July, 2019.

Our Policy on the Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel provides a framework based on which our human resources management aligns their recruitment plans for strategic growth of the Company.

DEFINITIONS:

"Act" means the Companies Act, 2013 and rules framed there under, as amended from time to time.

"Board of Directors" or **"Board"**, in relation to the Company, means the collective body of the Directors of Company.

"Committee" means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

"Company" means Novateor Research Laboratories Limited.

"Managerial Personnel" means Managerial Personnel or Persons, applicable under Section 196 and other applicable provisions of the Companies Act, 2013.

"Policy" or **"This Policy"** Nomination and Remuneration Policy.

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-Tax Act, 1961;

"Key Managerial Personnel" means an Individual as defined under Section 2(51) and Section 203 of the Companies Act, 2013:

- i) the Chief Executive Officer or the Managing Director or the Manager;
- ii) the Company Secretary;
- iii) the Whole-Time Director;
- iv) the Chief Financial Officer;
- v) such other officer, not more than one level below the directors who is in the whole-time employment, designated as key managerial personnel by the Board; and
- vi) such other person as may be prescribed by the Company from time to time.

"Senior Managerial Personnel" mean officers/personnel of the listed entity who are members of its core management team excluding the Board of Directors and normally this shall comprise all members of management one level below the chief executive director/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the Board) and shall specifically include company secretary and chief financial officer.

PURPOSE:

Pursuant to the Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors shall constitute the Nomination and Remuneration Committee, to guide the Board on various issues on appointment, evaluate the performance, remuneration of Directors, Key Managerial Personnel, etc.

CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:

The Board has constituted the "Nomination and Remuneration Committee" of the Board on 15th July, 2019. This is in line with the requirements under the Companies Act, 2013.

APPLICABILITY:

This Policy is applicable to all Directors, Key Managerial Personnel and Senior Managerial Personnel and such other officer as may be prescribed by the Board of Novateor Research Laboratories Limited.

OBJECTIVE:

The objective of the Policy is to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and;
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

ROLE OF THE COMMITTEE:

The role of the NRC will be the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

- 1) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his/her appointment, as per Company's Policy.
- 2) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.
- 3) The Company shall not appoint or continue the employment of any person as Whole-Time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

TERM/TENURE:

- 1) **Chairman/Managing Director/Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time under the terms of the applicable provisions of the law. No re-appointment shall be made earlier than one year before the expiry of term.
- 2) **Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- 3) No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director in case such person is serving as a Whole-time Director of Listed Company or such other number as may be prescribed under the Act.

EVALUATION:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL:

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013 rules and regulations and the policy of the Company.

RETIREMENT:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL:

- 1) **Remuneration to Managing Director/Whole-time Directors:**

- a) The Remuneration/Commission etc. to be paid to Managing Director/Whole-time Directors, etc. shall be governed as per the applicable provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the requisite approvals obtained from the Members of the Company and from other concerned authorities, if required as per the applicable provisions.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/Whole-time Directors.

2) Remuneration to Non-Executive/Independent Directors:

- a) The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- b) All the remuneration of the Non-Executive/Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company.
- d) Any remuneration paid to Non-Executive/Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.
- e) The Nomination and Remuneration Committee of the Company, constituted for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share-based payments to be made to Directors (other than Independent Directors).

3) Remuneration to Non-Executive/Independent Directors:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive any, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy, to the extent it is applicable to the Company.
- b) The Nomination and Remuneration Committee of the Company, constituted for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share-based payments to be made to Key Managerial Personnel and Senior Management.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION:

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may delegate any of its powers to one or more of its members.

AMENDMENT TO THE POLICY:

The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when required. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions of this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc. However, to bring the effects of such amendment(s), clarification(s), etc. Committee may recommend such changes in this Policy to the Board for the approval in the meeting of the Board of Directors.

FORM MGT - 9 -EXTRACT OF ANNUAL RETURN

As on the financial year ended 31st March, 2020

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

1) Registration and Other Details:

CIN	:	U24224GJ2010PLC062434
Registration Date	:	1 st April, 2011
Name of the Company	:	Novateor Research Laboratories Limited (Formerly known as Novateor Research Laboratories Private Limited)
Category / Sub-Category of the Company	:	Public Company limited by shares/ Indian Non-Government Company
Address of the Registered Office and contact details	:	B-1001, 10 th Floor, Block B, Titanium City Center, Anandnagar Rd, 100 Feet Road, Near Sachin Tower, Satellite, Ahmedabad, Gujarat, 380015. Email: compliancenovateor@gmail.com Website: www.novateor.com Phone: +91 79 - 4039 5888
Whether listed Company	:	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	:	KFin Technologies Private Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad 50032, India Tel. Number: +91 40 67162222/1595 Email: einward.ris@kfintech.com, umesh.pandey@kfintech.com Web: www.kfintech.com

- 2) Principal Business Activity of the Company:** All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Oral and Dental Products	2023	100%

- 3) Particulars of Holding, Subsidiary and Associate Companies:** N.A.

- 4) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity):**

I. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	1969236	1969236	66.48	2942730	-	2942730	60.87	(5.61)
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(1):	-	1969236	1969236	66.48	2942730	-	2942730	60.87	(5.61)

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2):	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	-	1969236	1969236	66.48	2942730	-	2942730	60.87	(5.61)
B. Public Share Holding									
(1) Institutions									
a) Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Company	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1):	0	0	0	0.00	0	0	0	0.00	0.00
(2) Non-Institution									
a) Bodies Corporate									
i. Indian	0	0	0	0.00	399609	0	399609	8.27	8.27
ii. Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i. Individual Shareholders holding nominal share capital up to ₹ 1 lakh	0	29160	29160	0.98	288111	0	288111	5.96	4.98
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	0	963774	963774	32.54	1203720	0	1203720	24.90	(7.64)
HUF	0	0	0	0.00	0	0	0	0.00	0.00
Non Resident Indians	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(2):	0	992934	992934	33.52	1891440	0	1891440	39.13	5.61

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	992934	992934	33.52	1891440	0	1891440	39.13	5.61
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	0	2962170	2962170	100.00	4834170	0	4834170	100.00	100.00

II. Shareholding of Promoters & Promoters Group and Change in Promoters & Promoters Group Shareholding:

Name	Shareholding at beginning of year		Shareholding at end of year		% change in shareholding during the year
	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company	
Mr. Navdeep Subhashbhai Mehta	1428858	48.24	1428858	29.56	-
Mr. Tejal Navdeep Mehta	540378	18.243	540378	11.18	-
Navdeep Mehta HUF	34830	1.176	34830	0.72	-
Mr. Ashokbhai Chhaganlal Mehta	19458	0.657	19458	0.40	-
Mr. Subhashchandra Maganlal Mehta	249588	8.426	249588	5.16	-
Mrs. Jyotiben Subhashchandra Mehta	659898	22.278	659898	13.65	-
Mr. Shourya Navdeep Mehta	9720	0.328	9720	0.20	-

Notes:

- No Equity Shares have been pledged or encumbered by any of the Shareholders belonging to Promoter of Promotes' Group.

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

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
Yash Deepakkumar Jain	0	0.00	13/03/2020	258000	Market Buy	258000	5.34	258000	5.34
Atulkumar A Patel	0	0.00	29/11/2019	24000	Market Buy	24000	0.50	192000	3.97
			27/12/2019	168000	Market Buy	192000	3.97		
S. M. Gold Limited	0	0.00	13/09/2019	138000	Market Buy	138000	5.71	162000	3.35
			27/09/2019	24000	Market Buy	162000	3.35		
Vimal Ramniklal Ambani	0	0.00	10/01/2020	60000	Market Buy	60000		102000	2.11
			17/01/2020	42000	Market Buy	102000	2.11		
	0	0.00	13/09/2019	96000	Market Buy	96000	1.99	96000	1.99

Beeline Broking Limited			20/09/2019	-12000	Market sell	84000	1.74		
			30/09/2019	12000	Market Buy	96000	1.99		
			04/10/2019	-6000	Market Sell	90000	1.86		
			11/10/2019	6000	Market Buy	96000	1.99		
			18/10/2019	-18000	Market Sell	78000	1.61		
			25/10/2019	18000	Market Buy	96000	1.99		
Rekha Parimal Patwa	0	0.00	11/10/2019	84000	Market Buy	84000	1.74	60000	1.24
			18/10/2019	-24000	Market Sell	60000	1.24		
Shah Investor's Home Ltd	0	0.00	03/01/2020	6000	Market Buy	6000	0.12	48000	0.99
			14/02/2020	24000	Market Buy	30000	0.62		
			28/02/2020	18000	Market Buy	48000	0.99		
Rajesh Jhaveri	0	0.00	24/01/2020	24000	Market Buy	24000	0.50	42000	0.87
			31/01/2020	18000	Market Buy	42000	0.87		
Pradip S Birewar	0	0.00	20/09/2019	60000	Market Buy	60000	1.24	36000	0.74
			04/10/2019	-6000	Market Sell	54000	1.12		
			11/10/2019	-6000	Market Sell	48000	0.99		
			25/10/2019	-12000	Market Sell	36000	0.74		
Mithalal Kacharalal Prajapati	0	0.00	20/09/2019	6000	Market Buy	6000	0.12	36000	0.74
			27/09/2019	12000	Market Buy	18000	0.37		
			04/10/2019	-6000	Market Sell	12000	0.25		
			24/01/2020	24000	Market Sell	36000	0.74		

- The trading in the shares of the Company took place almost on daily basis, therefore the date wise increase/ decrease in Shareholding of top ten Shareholders are taken on the basis of weekly Benpose.
- % have been calculated based on the outstanding Paid-up Capital as on respective dates.
- Top Ten Shareholders as on the balance sheet date have been considered

IV. Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding at beginning of year		Date wise Increase/ Decrease in Shareholding			Cumulative Shareholding during the year [^]		Shareholding at end of year		% change in shareholding during the year
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company	
Mr. Navdeep Subhashbhai Mehta	1428858	48.24	-	0	-	0	0	1428858	29.56	-
Mr. Tejal Navdeep Mehta	540378	18.243	-	0	-	0	0	540378	11.18	-
Mr. Anand Rajendra Shah	0	0	-	0	-	0	0	0	0	-
Mr. Chintan Pankaj Shah	0	0	-	0	-	0	0	0	0	-

Name	Shareholding at beginning of year		Date wise Increase/ Decrease in Shareholding			Cumulative Shareholding during the year [^]		Shareholding at end of year		% change in shareholding during the year
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company	
Mr. Sindhav Vipulbhai	0	0	-	0	-	0	0	0	0	-
Ms. Poonam Pravinbhai Panchal	0	0	-	0	-	0	0	0	0	-

5) **Indebtedness**

(In. Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A. Indebtedness at the beginning of the financial year				
i) Principal Amount	1,38,137	-	-	1,38,137
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total A (i+ii+iii)	1,38,137	-	-	1,38,137
B. Change in Indebtedness during the financial year				
Additions	-	84,85,192	-	84,85,192
Reduction	1,38,137	70,72,025	-	72,10,162
Net Change B	1,38,137	14,13,167	-	12,75,030
C. Indebtedness at the end of the financial year				
i) Principal Amount	-	14,13,167	-	14,13,167
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total C (i+ii+iii)	2,648.80	14,13,167	-	14,13,167

6) **Remuneration of Directors and Key Managerial Personnel**

A) **Remuneration to Managing Director, Whole-time Directors and/or Manager**

(In Rs.)

Particulars of Remuneration	Mr. Navdeep Subhashbhai Mehta Managing Director cum Chief Financial Officer	Mrs. Tejal Navdeep Mehta Whole Time Director	Total Amount
Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961	150000	150000	300000
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-

Particulars of Remuneration	Mr. Navdeep Subhashbhai Mehta Managing Director cum Chief Financial Officer	Mrs. Tejal Navdeep Mehta Whole Time Director	Total Amount
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
Stock option	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
as % of profit	-	-	-
others (specify)	-	-	-
Others, please specify Consultancy Income	-	-	-
Total (A)	1,50,000	1,50,000	3,00,000
Ceiling as per the Act (In terms of Schedule V to the Companies Act, 2013)			60,00,000

B) Remuneration to other Directors

(In Rs.)

Particulars of Remuneration	Mr. Anand Rajendra Shah Non-Executive & Independent Director	Mr. Chintan Pankaj Shah Non-Executive & Independent Director	Mr. Sindhav Vipulbhai Non-Executive & Independent Director	Total Amount
a) Independent Director				
(i) Fees for attending board/ committee meeting.	-	-	-	-
(ii) Commission	-	-	-	-
(iii) Other, specify	-	-	-	-
Total (a)	-	-	-	-
b) Other Non-Executive Directors	-	-	-	-
(i) Fees for attending board/ committee meeting.	-	-	-	-
(ii) Commission	-	-	-	-
(iii) Other, specify	-	-	-	-
Total (b)	-	-	-	-
Total Managerial Remuneration (a+b)	-	-	-	-

C) Remuneration to Key Managerial Personnel

(In Rs.)

Particulars of Remuneration	Mr. Navdeep Subhashbhai Mehta Managing Director cum Chief Financial Officer	Ms. Poonam Pravinbhai Panchal Company Secretary*	Total Amount
Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	1,50,000	2,00,645	3,50,645
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
Stock option	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
as % of profit	-	-	-
others (specify)	-	-	-
Others, please specify	-	-	-
Total	1,50,000	2,00,645	3,50,645

* Appointed w.e.f. 14th October, 2019

7) Penalties / Punishment/ Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. Company					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					
B. Directors					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					
C. Other Officers in Default					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

Date: 31st August, 2020
Place: Ahmedabad

Navdeep Subhashbhai Mehta
Managing Director & CFO
DIN: 03441623

Tejal Navdeep Mehta
Whole Time Director
DIN: 03441577

Annexure - C

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules made there under.

A. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) The ratio of remuneration of each director to the median remuneration of employees for the Financial Year and the Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year:

Sr. No.	Name	Designation	Nature of Payment	Ratio against median employee's remuneration*	Percentage Increase
1.	Mr. Navdeep Subhashbhai Mehta	Managing Director & Chief Financial Officer	Remuneration	15.00:1.00	Not Applicable**
2.	Mr. Tejal Navdeep Mehta	Whole Time Director	Remuneration	15.00:1.00	Not Applicable
3.	Mr. Anand Rajendra Shah	Non-Executive Independent Director	Sitting Fees	-	Not Applicable
4.	Mr. Chintan Pankaj Shah	Non-Executive Independent Director	Sitting Fees	-	Not Applicable
5.	Mr. Sindhav Vipulbhai	Non-Executive Independent Director	Sitting Fees	-	Not Applicable
6.	Ms. Poonam Pravinbhai Panchal	Company Secretary & Compliance Officer	Remuneration		Not Applicable

* During the previous financial year, any of the directors were not paid any Remuneration; And, the company has started to pay to Managing Directors and Whole Time Directors were paid from current previous year.

*During the year under review, all the Non-Executive Directors of the Company were not paid Sitting Fees for attending the Board Meeting and other Committees Meetings. Hence, the ratio of remuneration of all Non-Executive Directors to the median remuneration of employees are not disclosed or compared.

**During the Financial Year 2019-20, Mr. Navdeep Mehta was designated as the Managing Director of the Company. Further, he was appointed as Chief Financial Officer in the Financial Year 2019-20 w.e.f. 24th June, 2019. Hence, the percentage increase is shown accordingly.

b) The percentage increase in the median remuneration of employees in the financial year:

There is no change in median remuneration of the employees in current financial year was decreased by 1.90% over the previous financial year.

c) The number of permanent employees on the rolls of the Company:

9 permanent Employees as on 31st March, 2020.

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

The Average salary of employees was decreased. The average remuneration decreased due to increase in number of employee of the Company. Whereas remuneration of the executive directors was increased, as it was not paid during previous Financial Year. The remuneration paid to executive directors were within the limit as per approved by the shareholders of the Company.

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

Date: 31st August, 2020
Place: Ahmedabad

Navdeep Subhashbhai Mehta
Managing Director & CFO
DIN: 03441623

Tejal Navdeep Mehta
Whole Time Director
DIN: 03441577

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

(Pursuant to Section 134 (3) (m) of the Companies (Accounts) Rules, 2014 and rules made there under)

A. CONSERVATION OF ENERGY:

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

The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy.

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

The Company has not taken any step for utilizing alternate sources of energy.

iii.) The capital investment on energy conservation equipment:

During the year under review, Company has not incurred any capital investment on energy conservation equipment.

B. TECHNOLOGY ABSORPTION:

i.) The effort made towards technology absorption:

The Company has not imported any technology and hence there is nothing to be reported here.

ii.) The benefit derived like product improvement, cost reduction, product development or import substitution:

None

iii.) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -

- The details of technology imported: Nil
- The year of import: Not Applicable
- Whether the technology has been fully absorbed: Not Applicable
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

iv.) The expenditure incurred on Research and Development:

During the year under review, the Company has not incurred any Expenditure on Research and Development

C. FOREIGN EXCHANGE EARNINGS & EXPENDITURE:

i.) Details of Foreign Exchange Earnings:

(In Rs.)

Sr. No.	Particulars	F.Y. 2019-20	F.Y. 2018-19
1.	FOB Value of Export	NIL	NIL

ii.) Details of Foreign Exchange Expenditure:

(In Rs.)

Sr. No.	Particulars	F.Y. 2019-20	F.Y. 2018-19
1.	Foreign Exchange Expenditure	NIL	NIL

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

Date: 31st August, 2020
Place: Ahmedabad

Navdeep Subhashbhai Mehta
Managing Director & CFO
DIN: 03441623

Tejal Navdeep Mehta
Whole Time Director
DIN: 03441577

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

COVID-19 has triggered a global crisis like no other global health crisis that, in addition to an enormous human toll, is leading to the deepest global recession since the Second World War. The COVID-19 pandemic has spread with alarming speed, infecting millions and bringing economic activity to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. As the health and human toll grows, the economic damage is already evident and represents the largest economic shock the world has experienced in decades. While the ultimate growth outcome is still uncertain, and an even worse scenario is possible if it takes longer to bring the health crisis under control, the pandemic will result in output contractions across the vast majority of emerging market and developing economies. The baseline forecast envisions a 5.2 percent contraction in global GDP in 2020, the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support.

INDIAN ECONOMY

The annual growth forecast for India's FMCG sector is projected to be in the range of 5-6 per cent for the calendar year 2020, as the world grapples with the Covid-19 pandemic. The earlier predicted growth was in the range of 9-10 per cent for India's FMCG sector for the full year of 2020.

The intensity, severity and longevity of the lockdown would have significant implications for multiple industries, including Personal Care industry, which had begun witnessing signs of revival in the first two months of the year.

While manufacturers and brands are working to get back to normalcy as quickly as possible, there are pragmatic challenges as business performances are under extreme pressure.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The oral care/ hygiene market is projected to reach USD 53.3 billion by 2025 from USD 45.8 billion in 2020, at a CAGR of 3.1%. The increase in the prevalence of dental caries, periodontal diseases, and other dental diseases, growing awareness about oral hygiene, rising dental healthcare expenditure, an increasing number of small/ private clinics with dental dispensaries are some of the factors contributing to the growth of this market. However, the competitive pricing pressure faced by prominent players is hampering the growth of the oral care/oral hygiene market.

The oral care/oral hygiene market is not expected to be significantly impacted by the Covid-19 pandemic in 2020- 2021. However, there could be possible disruptions in the distribution channel during the period of lockdown and movement restrictions imposed globally to control the virus spread and flatten the curve. Social distancing protocols and quarantine measures have led to a shift in consumer purchasing patterns from in-store to online, which would be reflected in oral care/oral hygiene product sales as well. Major players in the market have continued their production activities during this period.

OPPORTUNITIES

Oral hygiene awareness is one of the major contributors to market growth in the overall oral care/oral hygiene market through efforts made by dentists as well as key players in the market. These stakeholders conduct various seminars and programs & take part in various Exhibitions to increase awareness of dental hygiene and demonstrate newly launched and technologically advanced products. This helps players to showcase their product portfolio, thereby raising the adoption of oral care products.

There has been a marked shift in the retailing of oral care products across the globe in recent years. Online retailers are gradually being preferred over traditional distributors, retailers, and pharmacies. Purchasing oral care products through e-commerce portals offers several advantages, such as the availability of multi-brand oral care products at relatively lower prices, ease of purchasing, and free shipping. The successful sale of oral care products through e-commerce has prompted increasing investment towards these channels by major market players.

THREATS

Customers are not that much aware about Products of the Company as they are innovative and first timed launched in India. The oral care/oral hygiene market is highly competitive, with a growing number of players operating at the regional level. The emergence of local players in developing markets such as India, China, and Brazil further increases the pricing pressure on global players. Local/regional players offer oral care products at discounted prices as compared to the global players and sell their products through e-commerce channels at low prices, creating pricing pressure on global players.

SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

The oral care/oral hygiene market is broadly segmented by product categorized into Teeth Whitening Strips, toothpaste, toothbrushes & accessories, mouthwashes/rinses, denture products, dental accessories/ancillaries, and dental prosthesis cleaning solutions. The growth in this market is mainly due to growing awareness about oral health and technological innovations.

OUTLOOK

Geographically, the global oral care/oral hygiene market is segmented into North America, Europe, the Asia Pacific, Latin America, and the Middle East & Africa. Asia Pacific is expected to show the highest growth rate during the forecast period. The high growth rate of this region can mainly be attributed to the increase in the number of the geriatric population associated with edentulism, growing prevalence of dental caries and other periodontal diseases in children and adults, increasing healthcare expenditure (coupled with the rising disposable income), rising awareness about oral healthcare, and willingness to spend more on dental care. Moreover, increasing the focus of prominent players in emerging Asian countries will further support the growth of the market in this region.

RISKS & CONCERNS

Volatility in input costs and foreign exchange continues to remain a risk coupled with general slowdown in the economy. The market is highly fragmented with the presence of numerous small and large manufacturers who compete in terms of prices and quality. In today's complex business environment almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success. Timely and effective risk management is of prime importance to our continued success.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains an adequate and effective Internal Control System, equivalent with its size and complexity. It believes that these systems provide, among other things, a reasonable assurance that transactions are executed with management authorization. It also ensures that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles, along with the assets of the Company being adequately safeguarded against significant misuse or loss. This is supplemented through an extensive internal audit programme and periodic review by the management and the Audit Committee.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

(In Rs.)

PARTICULARS	STANDALONE - YEAR ENDED	
	31.03.2020	31.03.2019
IX. Net Sales/Income from Operations	3,947,179	4,077,458
X. Other Income	2,683,412	1,064,281
XI. Total Revenue (I+II)	6,630,590	5,141,739
XII. Earnings Before Interest, Taxes, Depreciation and Amortization Expense	1,306,554	3,940,089
XIII. Finance Cost	83,892	33,004
XIV. Depreciation and Amortization Expense	956,882	955,282
XV. Profit Before Tax (IV-V-VI)	265,781	2,951,803
XVI. Tax Expense:		
Less: Current Tax Expense	45,500	724,000
Less: Deferred Tax	299,185	43,377
Profit After Tax (VII-VIII)	(78,904)	2,184,426

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

The company believes that 'great people create great organizations. The Company's relations with the employees continued to be cordial and harmonious with its employees. It considers manpower as its assets and that people had been driving force for growth and expansion of the Company. The Company acknowledge that its principal assets is it employees. The Company has continued its efforts in building a diverse and inclusive workforce. The Company will continue to create opportunity and ensure recruitment of diverse candidates without compromising on meritocracy. Hence, it remains committed in creating an engaging environment and a learning culture which facilitates each member to gather knowledge, sharpen their skills and deliver superior performance.

CAUTIONARY STATEMENT

Statement in this report describing the Company's objectives projections estimates and expectation may constitute "forward looking statement" within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumption and expectations of future events. These Statements are subject to certain risk and uncertainties. The Company cannot guarantee that these assumption and expectations are accurate or will be realized. The actual results may different from those expressed or implied since the Company's operations are affected by many external and internal factors which are beyond the control of the management. Hence the Company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments information or events.

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

Date: 31st August, 2020
Place: Ahmedabad

Navdeep Subhashbhai Mehta
Managing Director & CFO
DIN: 03441623

Tejal Navdeep Mehta
Whole Time Director
DIN: 03441577

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended 31st March, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
NOVATEOR RESEARCH LABORATORIES LIMITED
Ahmedabad

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NOVATEOR RESEARCH LABORATORIES LIMITED** having CIN: U24230GJ2011PLC064731 (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **NOVATEOR RESEARCH LABORATORIES LIMITED** 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st march ,2020 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 :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 According to the provisions of:

- i. The Companies Act, 2013(the Act) and the rules made there under;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act,1996 and 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. **(The Company does not have ECB)**
- 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, 1992;
 - 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; **(Not applicable to the Company during the Audit Period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008; **(Not applicable to the Company during the Audit Period)**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**
 - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations,1998 **(Not applicable to the Company during the Audit Period)**

I 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 Listing Agreements entered into by the Company with BSE Limited.

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

I further report that:

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

Adequate notice is given to all the directors to schedule the Board Meeting, 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 clarification 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.

I 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.

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that during the audit period, there were no instances of:

- I. Public/Rights/Preferential issue of Shares/debentures/ sweat equity of the Company. However, Company has made allotment of shares by Initial Public Offer (IPO) during the audit period.
- II. Redemption/buy-back of securities.
- III. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013. However, during the audit period Company has increased its borrowing power at the meeting of board of Directors of the Company.
- IV. Merger/ amalgamation/ reconstruction etc. However, Company Has been converted from Private Limited Company to Public Limited Company
- V. Foreign technical collaborations.

Place: Ahmedabad
Date: 31/08/ 2020

Signature:
Name of Practicing Company Secretary: Mehul Raval
ACS No.: 28155 **C P No.:** 10500
UDIN: A028155B000640021

"ANNEXURE A"

To,
The Members
NOVATEOR RESEARCH LABORATORIES LIMITED
Ahmedabad

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: 31/08/ 2020

Signature:
Name of Practicing Company Secretary: Mehul Raval
ACS No.: 28155 **C P No.:** 10500
UDIN: A028155B000640021

INDEPENDENT AUDITOR'S REPORT

To the Members of
Novateor Research laboratories Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Novateor Research laboratories Limited, which comprises the Balance Sheet as at 31st March, 2020 and the Statement of Profit and Loss and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to Note 19 of the Statement, which describes that the potential impact of COVID-19 pandemic on the financial results of the Company is dependent on future developments, which remain uncertain. Our opinion is not modified in respect of this matter.

Key Audit Matters.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

With reference to the **Annexure A** referred to in the Independent Auditor's Report to the members of the Company on the Financial Statements for the year ended 31 March 2020, we report the following:

Sl. No.	Comment Required on	Auditor's Opinion on Following Matter	Auditor's Remark
(i)	Fixed Assets	(A) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes the company is maintaining full particulars of fixed assets
		(B) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Yes the Management verifies the fixed assets at regular intervals and as informed to us no material discrepancies were noticed on such verification between Physical fixed Assets and fixed assets as per Books
		(C) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	Yes Title deeds of both the immovable property are held in the name of the company.
(ii)	Inventory	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	The inventory has been physically verified by the management from time to time. As informed to us no material discrepancies were noticed on such verification between Physical Stock and Stock as per Books

(iii)	Loans Secured or Unsecured Granted	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	Not Applicable. No Loans and Advances have been given to any company, firm, LLP or other Parties covered under Section 189 of the companies Act, 2013
		(A) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	NA
		(B) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	NA
		(C) If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	NA
(iv)		In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	Complied With.
(v)	Public Deposits	In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The company has not accepted any deposits from the Public. As on 31.03.2020 there are no Public deposits Payable by the company.
(vi)	Cost Accounting Records	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	Not Applicable
(vii)	Statutory Compliance	(a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	The company has paid all its liabilities in respect of all direct and indirect taxes and there is No such overdue amount.
		(b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	No
(viii)	Loan from Banks/ Financial Institution	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).	No
(ix)	Application of Money Received from Equity or Loan	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	Yes. The company has raised funds by way of IPO in FY 2019-20 which has been utilized for the purpose of business. The excess funds have been given as loan/ advance on which the company has earned interest income.
(x)	Fraud Reporting	Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	No Such Fraud noticed
(xi)	Managerial Remuneration	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	Yes -Complied With

(xii)	Nidhi Company - Compliance with Deposits	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	Not Applicable
(xiii)	Related Party Transactions	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	Yes. Complied with. All transactions with related parties are disclosed in the notes to accounts forming part of financial statements.
(xiv)	Issue of Share Capital and use of Amount Raised	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	Not Applicable.
(xv)	Transaction with Director	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	No such transaction entered
(xvi)	Registration from RBI	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	No the company is not required to be registered under Section 45-IA of the Reserve Bank of India.

Date-31st July 2020
Place - Ahmedabad

For, Purshottam Khandelwal & Co
Chartered Accountant
FRN No. 123825W

(CA Prahlad Jhanwar)
Partner
M. No - 120920
UDIN: 20120920AAAAI3923

Annexure - B to Independent Auditors' Report - 31st March 2020
(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of **Novateor Research Laboratories Limited** as at 31 March 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended as on 31st March 2020.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by 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:

- (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) 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
- (c) 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 Limitation of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company 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 31 March 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.

Date-31st July 2020
Place - Ahmedabad

For, Purshottam Khandelwal & Co
Chartered Accountant
FRN No. 123825W

(CA Prahlad Jhanwar)
Partner
M. No - 120920
UDIN: 20120920AAAAI3923

BALANCE SHEET AS AT 31ST MARCH, 2020

(In Rs.)

Particulars	Note No.	As at 31 st March, 2020	As at 31 st March, 2019
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	48,341,700	29,621,700
(b) Reserves and Surplus	3	37,271,894	11,142,798
2. Share Application Money Pending Allotment		-	-
3. Non-Current Liabilities			
(a) Long-Term Borrowings	4	1,413,167	138,137
(b) Deferred Tax Liabilities (Net)	5	403,157	103,972
(c) Other Long-Term Liabilities		-	-
(d) Long Term Provisions		-	-
4. Current Liabilities			
(a) Short-Term Borrowings	6	-	-
(b) Trade Payables	7	115,304	1,229,711
(c) Other Current Liabilities	8	107,732	161,192
(d) Short Term Provisions	9	295,619	763,000
TOTAL		87,948,573	43,160,510
II ASSETS			
1. Non-Current Assets			
(a) Property, Plants and Equipment	10	34,516,196	35,473,078
i) Tangible Assets		-	-
ii) Intangible Assets		-	-
iii) Capital Work-In-Progress		-	-
(b) Non-current Investments	11	98,250	98,250
(c) Deferred Tax Assets (NET)	5	-	-
(d) Long-term Loans and Advances	12	-	-
(e) Other non-current assets	13	1,935,393	-
2. Current Assets			
(a) Inventories	14	4,751,660	5,334,840
(b) Trade receivables	15	2,452,662	1,535,839
(c) Cash and Bank Balances	16	6,936,532	202,975
(d) Short-Term Loans and Advances	17	36,000	515,528
(e) Other current assets	18	37,221,879	-
TOTAL		87,948,573	43,160,510
Summary of Significant Accounting Policies and Notes to Accounts an integral part of the Balancesheet	1		

As per our report of event date

For, Purshottam Khandelwal & Co.
Chartered Accountants
Firm's Registration No.: 123825W

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

Prahlad Jhanwar
Partner
Membership No.: 120920
UDIN - 20120920AAAAI3923

Navdeep Subhashbhai Mehta
Managing Director & CFO
DIN: 03441623

Tejal Navdeep Mehta
Whole Time Director
DIN: 03441577

Date: 31st July, 2020
Place: Ahmedabad

Date: 31st July, 2020

Poonam Pravinbhai Panchal
Company Secretary
Place: Ahmedabad

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2020

(In Rs.)

Particulars	Note No.	Year ended on 31 st March, 2020	Year ended on 31 st March, 2019
I. Revenue from Operations	19	3,947,179	4,077,458
II. Other Income	20	2,683,412	1,064,281
III. Total Revenue (I + II)		6,630,590	5,141,739
EXPENSES:			
Raw material Consumption	21	1,302,990	2,839,733
Changes In Inventories Of Finished Goods / Traded Goods	22	1,204,920	(2,541,920)
Employee Benefit Expense	23	1,619,519	188,816
Finance Cost	24	83,892	33,004
Depreciation	10	956,882	955,282
Other Expenses	25	1,196,607	715,021
IV. Total Expenses		6,364,810	2,189,936
V. Profit before tax (III-IV)		265,781	2,951,803
VI. Tax Expense:			
i. Current Income Tax		45,500	724,000
ii. Deferred Tax		299,185	43,377
IX. Profit (Loss) for the period (VI - V)		(78,904)	2,184,426
X. Earnings per Equity Share: (In ₹)			
i. Basic		(0.02)	0.74
ii. Diluted		(0.02)	0.74
Summary of Significant Accounting Policies and Notes Forming Part of Financial Statement			

*** Not Annualised, Except Year End Basic and Diluted EPS**

Significant Accounting policies and

1

Notes to Accounts forming an integral part of the Balance Sheet

As per our report of event date
For, Purshottam Khandelwal & Co.
Chartered Accountants
Firm's Registration No.: 123825W

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

Prahlad Jhanwar
Partner
Membership No.: 120920
UDIN - 20120920AAAAI3923

Navdeep Subhashbhai Mehta
Managing Director & CFO
DIN: 03441623

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Whole Time Director
DIN: 03441577

Date: 31st July, 2020
Place: Ahmedabad

Date: 31st July, 2020

Poonam Pravinbhai Panchal
Company Secretary
Place: Ahmedabad

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2020

(In Rs.)

PARTICULARS	Year ended on 31 st March, 2020	Year ended on 31 st March, 2019
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	2.66	29.52
<u>Adjustments for :</u>		
Depreciation & Amortization	9.57	9.55
Interest / Finance Charges	0.84	0.33
Prior Period Adjustment	0.00	0.00
Operating Profit Before Working Capital Changes	13.7	39.40
<u>Adjustments for Changes in Working Capital</u>		
(Increase)/ Decrease in Inventories	5.83	(38.23)
(Increase)/ Decrease in Debtors	(9.17)	(9.56)
(Increase)/ Decrease in Other Current Assets	(372.22)	(0.05)
(Increase)/ Decrease in Loans & Advances	4.80	(4.15)
Increase/ (Decrease) in Trade Payables	11.14	6.42
Increase/ (Decrease) in Other Liabilities	0.53	(1.44)
Cash Generated from Operations	(341.34)	(0.01)
Taxes Paid	0.46	7.24
Net Cash Generated from Operations	(341.80)	(7.25)
II. CASH FLOW FROM INVESTING ACTIVITIES:		
(Increase) / Decrease in Fixed Assets (net)	(9.57)	(195.94)
(Increase) / Decrease in Investments & Accrued	0.00	0.00
Interest Thereon	0.00	0.33
Net Cash Generated from Investing Activities	(9.57)	(196.27)
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share Capital Issued (Net)	187.20	291.26
Proceeds from Securities Premium	262.08	(7.61)
Increase / (Decrease) in Long term Borrowings	(12.75)	(80.22)
(Increase)/ Decrease in Long term Loans and Advance	(19.35)	0
Interest Expenses	0.84	0
Net Cash Generated from financing Activities	418.01	203.43
Net Increase / (Decrease) in Cash & Cash Equivalents	66.66	(0.09)
Opening Balance of Cash & Cash Equivalents	2.03	2.12
Closing Balance of Cash & Cash Equivalents	68.69	2.02
Net Increase / (Decrease) in Cash & Cash Equivalents	(66.66)	0.10

For, Purshottam Khandelwal & Co.
Chartered Accountants
Firm's Registration No.: 123825W

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

Prahlad Jhanwar
Partner
Membership No.: 120920
UDIN - 20120920AAAAI3923

Navdeep Subhashbhai Mehta
Managing Director & CFO
DIN: 03441623

Tejal Navdeep Mehta
Whole Time Director
DIN: 03441577

Date: 31st July, 2020
Place: Ahmedabad

Date: 31st July, 2020

Poonam Pravinbhai Panchal
Company Secretary
Place: Ahmedabad

Note No.: 1

I. Corporate information:

Our Company was originally incorporated as Novateor Research Laboratories Private Limited on April 01, 2011 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat. Subsequently, the company was converted into Limited and name of the company was changed from "Novateor Research Laboratories Private Limited" to "Novateor Research Laboratories Limited" under the Companies Act, 2013 pursuant to a special resolution passed by our shareholders at the EGM held on April 12, 2019 and had obtained fresh certificate of incorporation dated April 22, 2019 issued by the Registrar of Companies, Gujarat. The CIN of the Company U24230GJ2011PLCO6473L.

Our company is promoted by Mr. Navdeep S Mehta and Mrs. Tejal N Mehta. Our individual promoters manage and control the major affairs of our business operations. Through their combined 10 plus years of experience, industry knowledge and understanding, our company has a competitive advantage over our competitors which enables us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. The company came up with an Initial Public Offer which has got listed on the BSE SME Platform on 13.09.2019 with ISIN INE08JY01013 and trading ID 542771.

II. Basis of Preparation

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the notified sections, schedules and rules of the Companies Act 2013 including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known/materialized.

III. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2. Cash Flow Statement

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

3. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks (other than deposits pledged with government authorities and margin money deposits) with an original maturity of three months or less, highly liquid investments that are readily convertible in to cash and which are subject to insignificant risk of changes in values. The yearend cash balance as on 31.03.2020 is as certified by the directors of the company.

4. Property, Plant & Equipment: -

Property, Plant & Equipment including intangible assets are stated at their original cost of acquisition including taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets less depreciation till date.

Company has adopted cost model for all class of items of Property Plant and Equipment.

Immovable property being Land is revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in the asset Value, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognized against the asset revaluation reserve. All other decreases in carrying amounts are recognised as a loss in the statement of Profit & Loss. As the revaluation of land has been undertaken there arises no need to provide Depreciation and hence the value of asset has been shown at historical cost plus revaluation value.

5. Depreciation: -

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. All fixed assets individually costing Rs. 5000/- or less are fully depreciated in the year of installation/purchase. Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

6. **Impairment**

The carrying amounts of property, plant & equipment are reviewed at each balance sheet date to determine, if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of the property, plant & equipment exceeds its recoverable amount which represents greater of the "net selling price" and "value in use" of the respective assets. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

7. **Revenue Recognition: -**

- Sales are recognized when goods are supplied. Sales are net of trade discounts and rebates. It does not include interdivisional sales.
- Revenue in respect of other items is recognized when no significant uncertainty as to its determination or realization exists.
- **Other Income:** Dividend income on investments is recognized when the right to receive dividend is established. Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest.

8. **Segment Reporting:**

As the Company's principle business activities fall within the single segment, the disclosure requirement of Accounting Standard 17 on Segment Reporting prescribed u/s 133 of the Companies Act, 2013 ("The Act") read with Rule 7 of the Companies (Accounts) Rule, 2014 is not applicable.

9. **Inventories**

Items of Inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other cost including manufacturing overheads incurred in bringing them to their respective present location and condition, Cost of raw materials, process chemicals, stores and spare, packing materials, trading and other products are determined on weighted average basis By- Products are valued at net realizable value.

10. **Borrowing cost: -**

Borrowing costs that are attributable to the acquisition or construction of the qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended uses or sale. All other borrowing costs are charged to revenue in the year of incurrence. The amount of borrowing cost capitalized during the year is Nil.

11. **Employee Benefits**

Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.

Post-employment and other long term employee benefit are recognized as an expense in the Profit and Loss account for the year in which the liabilities are crystallized

12. **Taxation**

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the Year. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date.

In case the Company is liable to pay income tax under provision of Minimum Alternate Tax r-r/s. 115J8 of Income Tax Act, 1961, the amount of tax paid in excess of normal income tax liability is recognized as an asset only if there is convincing evidence for realization of such asset during the specified period. MAT Credit Entitlement is recognized in accordance with the Guidance Note on accounting treatment in respect of Minimum Alternate Tax (MAT) issued by The Institute of Chartered Accountants of India.

13. **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

14. **Principles of consolidation**

The Company as on date does not have any subsidiary and hence no consolidation of accounts have been undertaken.

15. **Foreign currency Transactions: -**

Transactions arising in foreign currencies during the year are converted at the rates closely approximating the rates ruling on the transaction dates. Liabilities and receivables in foreign currency are restated at the year-end exchange rates. All exchange rate differences arising from conversion in terms of the above are included in the statement of profit and loss.

16. **Investments: -**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

17. Retirement Benefits: -

The Company has not entered in any formal plan or agreement with Individual employee, group of employees or their representatives for retirement benefits. Hence its recognition, measurement and disclosures are not made.

18. Provisions, Contingent Liabilities and Contingent Assets: - (AS-29)

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities is disclosed in Notes to the account for: -

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or
- (ii) Present Obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statement since this may result in the recognition of the income that may never be realized.

General:

Except wherever stated, accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.

(B) Notes on Financial Statements

1. The SSI status of the creditors is not known to the Company; hence the information is not given.
2. Salaries includes director's remuneration on account of salary Rs. 3,00,000/- (Previous Year Rs. Nil/-)
3. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.
4. Payments to Auditors:

Auditors Remuneration	2019-20	2018-19
Audit Fees	30000	25000
Tax Audit Fees	0	0
Company Law Matters	0	0
GST	0	0
Total	30000	25000

5. Loans and Advances are considered good in respect of which company does not hold any security.
6. No provision for retirement benefits has been made, in view of accounting policy No. 17. The impact of the same on Profit & Loss is not determined.
7. Advance to others does not include any advances to concerns in which directors are interested.
8. Related Party disclosure as identified by the company and relied upon by the auditors:

(A) Related Parties and their Relationship

(I) Key Management Personnel

1. Navdeep Mehta
2. Tejal Mehta
3. Subhash Mehta (Partial During the Year - Resignation during the year)

(II) Relative of Key Management Personnel

1. Jyoti Mehta - Mother of the Director

(III) Enterprises owned or significantly influenced by Key Management personnel or their relatives

1. Nil

Transactions with Related parties

(Figure in Rupees)

Transactions during the year				
	2019-20		2018-19	
Particulars	Key Management Personnel	Relative of Key Management Personnel	Key Management Personnel	Relative of Key Management Personnel
Advance Paid	0	0	0	0
Received Back	0	0	0	0
Deposit Received	5725192	2760000	0	0
Deposit Repaid	4312025	2760000	8011125	0
Interest Received	0	0	0	0
Interest Paid	0	0	0	0
Remuneration Paid	300000	0	0	0
Purchase	0	0	0	0
Rent Paid	150000	0	0	0
Other Payment	0	0	0	0
Job Charges	0	0	0	0

Outstanding Balances

	2019-20		2018-19	
Particulars	Key Management Personnel	Relative of Key Management Personnel	Key Management Personnel	Relative of Key Management Personnel
Loans Taken	1413167	0	0	0
Loans Repaid	0	0	0	0

9. Expenditure in Foreign Currency

Nil

Nil

10. Earning in Foreign Exchange

Nil

Nil

11. Previous year figures have been regrouped/rearranged wherever necessary.

For, Purshottam Khandelwal & Co.
Chartered Accountants
Firm's Registration No.: 123825W

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

Prahlad Jhanwar
Partner
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Managing Director & CFO
DIN: 03441623

Tejal Navdeep Mehta
Whole Time Director
DIN: 03441577

Date: 31st July, 2020
Place: Ahmedabad

Date: 31st July, 2020

Poonam Pravinbhai Panchal
Company Secretary
Place: Ahmedabad

Note No.: 2 SHARE CAPITAL

Particular	31.03.2020	31.03.2019
Authorised Share Capital		
48,80,000 Equity Shares of Rs. 10/- each	48,800,000	30,700,000
Issued, Subscribed and Paid Up Share Capital		
48,34,170 Equity Shares of Rs. 10/- each	48,341,700	29,621,700
Total	48,341,700	29,621,700

Reconciliation of the number of shares outstanding is set out below:-

Particulars	31.03.2020		31.03.2019	
	Equity Shares		Equity Shares	
	Number	In Rs.	Number	In Rs.
Shares outstanding at the beginning of the year	2,962,170	29,621,700	49,563	495,630
Add:-Shares Issued during the year				
Fresh Issue	1,872,000	18,720,000	115,002	1,150,020
Bonus Shares Issued			2,797,605	27,976,050
Less:Shares bought back during the year				
Other Changes	-	-	-	-
Shares outstanding at the end of the year	4,834,170	48,341,700	2,962,170	29,621,700

Details of Shareholders holding more than 5 % shares:-

Name of Shareholder	31.03.2020		31.03.2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Navdeep Mehta	1428858	29.56	1428858	48.24
Tejal Mehta	540378	11.18	540378	18.24
Subhash Mehta	249588	5.16	249588	8.43
Jyoti Mehta	659898	13.65	0	-
YASH DEEPAKKUMAR JAIN	258000	5.34	0	-

NOTE No.:3 RESERVE AND SUPPLUS

Particular	31.03.2020	31.03.2019
Share Premium		
Opening Balance	1,006,445	8,857,145
Add: Addition during the year	26,208,000	20,125,350
Less: Transferred Bonus Shares	-	27,976,050
Closing Balance	27,214,445	1,006,445
Revaluation Reserve	8,045,032	8,045,032
Profit & Loss Account		
As per Last Year	2,091,321	(93,105)
Addition during the year	(78,904)	2,184,426
Closing Balance	2,012,417	2,091,321
Total	37,271,894	11,142,798

NOTE No.:4 LONG TERM BORROWINGS

Particular	31.03.2020	31.03.2019
<u>Secured Loans</u>		
Term Loan	-	138,137
<u>Unsecured Loans & Long Term Liabilities</u>	1,413,167	-
Total	1,413,167	138,137

NOTE No.:5 DEFERRED TAX LIABILITY (NET)

Particular	31.03.2020	31.03.2019
Deferred Tax Liability		
Opening Balance	103,972	60,595
Addition during the year	299,185	43,377
Less:		
Deferred Tax Assets	-	
Closing Balance	403,157	103,972

NOTE No.: 6 SHORT TERM BORROWINGS

Particular	31.03.2020	31.03.2019
<u>From Banks</u>	-	-
<u>From Related Parties</u>		
Total	-	-

NOTE No.:7 TRADE PAYABLE

Particular	31.03.2020	31.03.2019
Sundry Creditors		
Due to Micro, Small & Medium Enterprise	115,304	1,229,711
Due to Other than Micro, Small & Medium Enterprise		
Total	115,304	1,229,711

NOTE No.:8 OTHER CURRENT LIABILITIES

Particular	31.03.2020	31.03.2019
Interest accrued but not due on borrowings		
<u>Other Payables</u>		
Statutory remittances (Contributions to Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	107,732	161,192
Installments of Term Loan	-	-
Total	107,732	161,192

NOTE No.: 9 SHORT TERM PROVISIONS

Particular	31.03.2020	31.03.2019
Provision for employee benefits		
Contribution to PF	-	-

Salary & Bonus Payable	220,119	13,800
Provision- Others		
Provision for Income Tax	45,500	724,000
Others	30,000	25,200
Total	295,619	763,000

NOTE NO.:10 Fixed Assets and Depreciation

Particulars	Fixed Assets				Depreciation			WDV as on 31.03.2020	WDV as on 31.03.2019	Useful life for Depreciation Calculation
	Opening	Addition during the Year	Sales During the Year	Closing	Opening	Depreciation for the year	Total as on 31.03.2020			
Tangible Assets										
LAND	19000000	0		19000000	0	0	0	19000000	19000000	
BUILDING & CIVIL WORKS	7901044	0		7901044	74147	125100	199246	7701797	7826897	60
PLANT & MACHINERY	9049770	0		9049770	2071749	573152	2644901	6404868	6978021	15
OFFICE EQUIPMENTS	6150	0		6150	2928	1169	4096	2053	3222	5
FURNITURE &FIXTURE	34221	0		34221	9753	3251	13003	21217	24468	10
PRINTER	207384	0		207384	73874	24627	98500	108883	133510	8
CAR	1400000			1400000	69300	166250	235550	1164450		8
LAPTOP	200000	0		200000	23740	63333	87073	11292	176260	3
GRAND TOTAL	37798569	0	0	37798569	2325491	956882	3282373	34516196	34142378	

NOTE No.:11 NON-CURRENT INVESTMENTS

Particular	31.03.2020	31.03.2019
<u>Un-Quoted & Trade</u>	-	-
- Investments in Government securities		-
- Investments in Unlisted Companies	98,250	98,250
Total	98,250	98,250

NOTE No.:12 LONG- TERM LOANS & ADVANCES

Particular	31.03.2020	31.03.2019
Security Deposits - Unsecured, Considered good	-	-
Total	-	-

NOTE No.:13 OTHER NON-CURRENT ASSETS

Particular	31.03.2020	31.03.2019
Unamortised expenses		
<u>Share Issue Expenditure:</u>		
Opening Balance	-	-
Addition during the year	2,177,615	
1/5 Written Off	242,222	-
Closing Balance	1,935,393	-
Total	1,935,393	-

NOTE No.: 14 INVENTORY

Particular	31.03.2020	31.03.2019
Stock		
Raw material	3,414,660	2,792,920
finished goods	1,222,000	2,141,920
work in progress	115,000	400,000
Fuel, Stores, Consumables and other Stock	-	-
Total	4,751,660	5,334,840

NOTE No.: 15 TRADE RECEIVABLES

Particular	31.03.2020	31.03.2019
Trade receivables outstanding for a period less than six months from the date they are due for payment	2,452,662	1,535,839
Unsecured, considered good		
Less: Provision for doubtful debts		
Unsecured, considered good		
Total	2,452,662	1,535,839

NOTE No.:16 CASH AND CASH EQUIVALENTS

Particular	31.03.2020	31.03.2019
Balance with banks		
In current accounts	452,272	195,599
In deposit accounts		
Cash on Hand	6,484,260	7,376
Total	6,936,532	202,975

NOTE No.: 17 SHORT- TERM LOANS AND ADVANCES

Particular	31.03.2020	31.03.2019
Loans and advances to related parties - Unsecured, Considered good	36,000	-
other than related parties	-	-
<u>Others Advances - Unsecured, Considered Good</u>		
- Advance Income Tax/TDS	-	4,528
- Advance to the employee	-	-
- Prepaid Expenses	-	-
- Others (Advance Recoverable in cash or in kind)	-	511,000
Total	36,000	515,528

NOTE No: 18 OTHER CURRENT ASSETS

Particular	31.03.2020	31.03.2019
Advance to suppliers	37,221,879	-
Security Deposits - Unsecured, Considered good		
Total	37,221,879	-

NOTE No.:19 REVENUE FROM OPERATION

Particular	31.03.2020	31.03.2019
Sales and other Incomes	3,947,179	4,077,458
Total	3,947,179	4,077,458

NOTE No.:20 OTHER INCOME

Particular	31.03.2020	31.03.2019
Rent, Interest and Other Incomes	2,683,412	1,064,281
Total	2,683,412	1,064,281

NOTE No.:21 Raw Material Consumption

Particular	31.03.2020	31.03.2019
Opening Stock	2,792,920	1,511,378
Add: Purchases & other Direct Expenses	1,924,730	4,121,275
Less Closing Stock	3,414,660	2,792,920
Raw Material Consumption	1,302,990	2,839,733

NOTE No.: 22 Change in inventories

Particular	31.03.2020	31.03.2019
WIP		
Opening Balances of WIP	400,000	-
Closing Balances of WIP	115,000	400,000.00
Change in inventory of finished goods	285,000	(400,000)
FINISHED GOODS		
Opening Balances of Finished Goods:	2,141,920	-
Closing Balances of Finished Goods:	1,222,000	2,141,920
Change in inventory of finished goods	919,920	(2,141,920)
TOTAL	1,204,920	(2,541,920)

NOTE No.:23 EMPLOYEE BENEFITS EXPENSES

Particular	31.03.2020	31.03.2019
Salaries and wages	1,619,519	188,816
Contributions to provident and other funds	-	-
Staff welfare expenses	-	-
TOTAL	1,619,519	188,816

NOTE No.: 24 FINANCE COST

Particular	31.03.2020	31.03.2019
Interest	1,718	31,108
Other Borrowing Costs	82,174	1,896
Applicable net loss on foreign currency transactions and translation	-	-
TOTAL	83,892	33,004

NOTE No: 25 OTHER EXPENSES

Particular	31.03.2020	31.03.2019
Audit Fees	45,000	25,000
Legal & Professional Fees	57,060	21,195
Preliminary Pre-Operative Expenses - IPO	242,222	-
Advertisement Expenses	27,973	101,264
other expenses	12,981	213,579
Selling and Distribution Expenses	258,248	
Rent Expenses	202,000	33,000
Legal Expenses	5,000	33,800
Listing, BSE, NSDL & CDSL Fees	303,769	
Transportation, Clearing & forwarding Expenses	42,354	184,114
Printing Expenses	-	103,069
Total	1,196,607	715,021

For, Purshottam Khandelwal & Co.
Chartered Accountants
Firm's Registration No.: 123825W

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

For and on behalf of Board of Directors
Novateor Research Laboratories Limited

Prahlad Jhanwar
Partner
Membership No.: 120920
UDIN - 20120920AAAAI3923

Navdeep Subhashbhai Mehta
Managing Director & CFO
DIN: 03441623

Tejal Navdeep Mehta
Whole Time Director
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Poonam Pravinbhai Panchal
Company Secretary
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