

18th ANNUAL REPORT 2019-2020



Brooks

LABORATORIES LIMITED

AN EU-GMP approved carbapenem facility

*World-class Dedicated Carbapenem Injection
Facility at Unit 2-Vadodara, Gujarat.*



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Atul Ranchal
Mr. Rajesh Mahajan
Mr. Suresh Garg
Mr. Rajnish Kumar Bedi
Mr. Deepak Mahajan
Mrs. Sonia Gupta

Chairman
Managing Director
Technical Director
Independent Director
Independent Director
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Prashant Rath

COMPANY SECRETARY

Mrs. Jyoti Sancheti

BANKERS

Kotak Mahindra Bank
Indian Bank

AUDITORS

M/s SGCO & Co. LLP
Chartered Accountants
4A, Kaledonia-HDIL, 2nd Floor, Sahar Road,
Near Andheri Station, Andheri (East)
Mumbai – 400 069
Tel: 022 66256363

REGD. OFFICE & WORKS

Unit 1: Village Kishanpura
Nalagarh Road
Baddi, Distt. Solan, H.P.- 174101
Telefax.: 01795-236939

Unit 2: Vadodara Address:
Village Manglej
Nareshwar Road, Taluka
Karjan, Dist. Vadodara
Gujarat:391210, Tel.:02666-235500

CORPORATE OFFICE

502, Kanakia Atrium -2
Next to Hotel Courtyard Marriott
Andheri Kurla Road, Andheri (East)
Mumbai – 4000093
Tel.: 022-61933100/Fax.: 022-61933114
Email: investors@brookslabs.net
Website:www.brookslabs.net
CIN:L24232HP2002PLC00026

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-101, 247 Park, LBS Marg, Vikhroli (West)
Mumbai -400083
Tel.: 022-49186000/ Fax.: 022-49186060
email: rnt.helpdesk@linkintime.co.in
website: www.linkintime.co.in



CHAIRMAN'S LETTER



Dear Shareholders,

Hope all of you are staying safe and are taking good care of your families and near and dear ones in today's unprecedented times.

Last year we started on the process of consolidation of domestic business and embarked on the journey of gearing up to target and plan for internationally rewarding markets in our chosen field of Injectibles.

Let me share the progress we have made since then:

For domestic markets, your company started marketing critical care products more aggressively in four states Maharashtra, Gujarat, Rajasthan and UP as compared to only state of Maharashtra previous year, with better results, with more accomplished teams and more demanded products to have a better outlook as a critical care player in domestic market. Additionally, within one year we have made our presence felt in the market with a more comprehensive product range with satisfying results and hopefully we would increase our territorial reach in more number of states this year. This shall add a sustainable set of revenues and earnings for your company.

On international front, to get a better and expedient reach in regulated markets internationally, we have signed a joint venture agreement with a Bengaluru based company, Streriscience Private Limited., a company whose promoters have understanding and international reach and strong track record and presence in many regulated countries. This is a significant step to aggregate mutual synergies and would speed up your Company's footprints in international markets like Europe and America, together with a more accomplished and experienced partner. This will transform your company's credibility in those territories and open up more business opportunities. It shall also enhance the manufacturing capabilities of your company with more innovative products, as a result of fresh investments and richer experience coming in from our Joint Venture partner. This transaction is subject to your approval at the forthcoming AGM.

Though both the above steps are in progress, your Company has performed much better last year with better revenues and margins; despite of the COVID-19 situation, halting raw material supplies for many weeks and associated production and demand losses. We are sure that with the continued hard work and focussed efforts of our teams and with your wishes and support, your company will see a value enhancing road map ahead with sustainable growth both in domestic and in international markets.

As always, I thank each one of you for having faith in us. I have always believed that vision and sincere efforts always gets blessings from the Almighty; we just need to have patience for great things to blossom.

With renewed best wishes.

Sincerely,

Place: Mumbai
Date: 03.09.2020

Atul Ranchal
Brooks Laboratories Ltd.

MANAGING DIRECTOR'S SPEECH



Dear Shareholders

Healthcare industry including Pharmaceuticals is poised for big change after Covid pandemic which has changed the lifestyle of Human kind worldwide. Indian Pharma industry is poised for new challenges due to changed world order after Covid & thrust of Govt. of India to be self sufficient (atmanirbhar). Meanwhile govt. of India has come out with list of KSM & API in which govt. has announced production linked incentive. We foresee new opportunities of API manufacturing in India. We are undertaking feasibility study of the same.

At Brooks we are continuously reducing our focus on institutional business due to uncertainty of payments & irregularity of business. Our new thrust is towards marketing of our own brands which we are expanding continuously. Our target is to achieve 50% of our total sales from our own marketing team in next 3 years. Our international business has started picking up now. With more approvals from various countries in current year the sales are likely to improve substantially.

The new joint venture with Steriscience will help Vadodara facility to expand its manufacturing capability & backward integration of the present facility. Also the marketing expertise of Steriscience will help the marketing joint venture to capture new territories specially the regulated markets much faster.

As we celebrate our 19th year of existence of Brooks laboratories Limited, I take this opportunity to thanks all our colleagues, creditors, customers & various government agencies & investors.

With two Joint ventures in place we expect this financial year to be much better compared to last year. We welcome to interact with you at Annual General Meeting.

Place: Mumbai
Date: 03.09.2020

Rajesh Mahajan
Managing Director,
Brooks Laboratories Ltd.



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NOTICE

Notice is hereby given that the 18th Annual General Meeting of Brooks Laboratories Limited will be held on Monday, 28th September 2020 at 9 a.m. through Video Conference/Other Audio-Visual Means, to transact the following business:

ORDINARY BUSINESS:

1. Adoption of annual audited financial statement and reports thereon

To receive, consider and adopt the audited financial statement of the Company for the financial year ended 31st March 2020 and the Report of the Directors and Auditors thereon.

2. Appointment of Director in place of those retiring by rotation

To appoint a Director in place of Mr. Rajesh Mahajan (DIN: 02000634), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To ratify the remuneration of the Cost Auditors

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

“RESOLVED THAT under the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof), the Company hereby ratifies the remuneration payable to M/s. Balwinder & Associates, Cost Accountants, Mohali (Firm Reg No. 000201), as recommended by the Audit Committee and approved by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March 2021, amounting to Rs. 60,000/- plus taxes.”

4. To re-appoint Mr. Atul Ranchal (DIN: 01998361) as a Whole-time Director designated as Chairman.

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

“RESOLVED THAT according to the provisions of sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and on the recommendation of Nomination and Remuneration Committee and Board of Directors, consent of the members be and is hereby accorded for the re-appointment of Mr. Atul Ranchal (DIN: 01998361) as a Whole-time Director designated as Chairman for 5 years with effect from 1st November 2020 to 31st October 2025, on such remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting and on terms and conditions as agreed between the Board and Mr. Atul Ranchal. He shall be liable to retire by rotation and shall be entitled to Sitting Fees for attending the Meetings of the Board of Directors or any committee thereof.”

5. To re-appoint Mr. Rajesh Mahajan (DIN: 02000634) as a Managing Director.

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

“RESOLVED THAT according to the provisions of sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and on the recommendation of Nomination and Remuneration Committee and Board of Directors, consent of the members be and is hereby accorded for the re-appointment of Mr. Rajesh Mahajan (DIN: 02000634) as a Managing Director for 5 years with effect from 1st November 2020 to 31st October 2025, on such remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting and on terms and conditions as agreed between the Board and Mr. Rajesh Mahajan. He shall be liable to retire by rotation and he shall be entitled to Sitting Fees for attending the Meetings of the Board of Directors or any committee thereof.”

6. To consider the remuneration of Mr. Atul Ranchal (DIN: 01998361) as a Whole-time Director designated as Chairman.

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 197, 198, Schedule V and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and in supersession of an earlier resolution, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, the consent of the members be and is hereby accorded to fix the remuneration payable to Mr. Atul Ranchal, Chairman cum Whole Time Director of the Company, for a period from 1st November, 2020 to 31st October, 2023, as set out in the Explanatory Statement annexed to the Notice, with further authority to the Board to alter and vary such terms and conditions including remuneration as may be mutually agreed by the Board of Directors of the Company and Mr. Atul Ranchal subject to the conformity with the provisions of the Companies Act, 2013.”

“RESOLVED FURTHER THAT such remuneration, is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013, read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.”

“RESOLVED FURTHER THAT to give effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising for the above matter, and to execute all such deeds, documents, agreements, and writings as may be necessary for giving effect to this Resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company.”

7. To consider the remuneration of Mr. Rajesh Mahajan (DIN: 02000634) as a Managing Director.

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 197, 198, Schedule V and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and in supersession of an earlier resolution, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, the consent of the members be and is hereby accorded to fix the remuneration payable to Mr. Rajesh Mahajan, Managing Director of the Company, for a period from 1st November, 2020 to 31st October, 2023, as set out in the Explanatory Statement annexed to the Notice, with further authority to the Board to alter and vary such terms and conditions including remuneration as may mutually agreed by the Board of Directors of the Company and Mr. Rajesh Mahajan subject to the conformity with the provisions of the Companies Act, 2013.”

“RESOLVED FURTHER THAT such remuneration, is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013, read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.”

“RESOLVED FURTHER THAT to give effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising for the above matter, and to execute all such deeds, documents, agreements, and writings as may be necessary for giving effect to this Resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company.”

8. To Enhance the Investment Limit

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the Section 186 of the Companies Act, 2013 and such other provisions as may be applicable, if any, and the Rules made thereunder, including any statutory modification or re-enactment thereof for the time being in force the consent of the members be and is hereby accorded to the Board of Directors of the Company to agree to, at its discretion, make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made to and to make investments in shares, debentures and/ or any other securities of other body corporates or person whether Indian or overseas and/or in various schemes of Mutual Funds or such other funds, as they may in their absolute discretion deem beneficial and in the interest of the Company in excess of 60% of the paid up Share Capital and Free Reserves and Securities Premium of the Company or 100% of Free Reserves and Securities Premium of the Company whichever is more, as prescribed under Section 186 of the Companies Act, 2013 from time to time, in one or more tranches, up to maximum amount of Rs. 200 Crores (Rupees Two Hundred Crores Only), notwithstanding that investments along with Company's existing loans or guarantee/ security or investments shall be more than the limits prescribed under Section 186 aforesaid or up to the limits so prescribed under Section 186 (as may be amended from time to time), whichever is higher and that the Board is authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution, and to settle any question or doubt that may arise in this regard.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions and steps in respect of the above loans, guarantees and investment including the timing, amount and other terms and conditions of such loans, guarantees and investment and varying the same through transfer, sale, disinvestments or otherwise either in part or in full as it may deem appropriate, and to do and perform all such acts, deeds, matters and things, as may be necessary or expedient in this regard and to exercise all the rights and powers which would vest in the Company in pursuance of such loans, guarantees and investment.”

9. To consider the slump sale of the Vadodara facility

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made there-under (including its statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the listing agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, 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 / dispose off its Vadodara facility situated at Village Manglej, Nareshwar Road, Off Nh-8, Taluka Karjan, Dist. Vadodara, Gujarat -391210 together with associated assets, liabilities, all the licences, permits, consents, and approvals as a going concern/on a slump sale basis on an “as is where is” basis or in any other manner as the Board may deem fit in the interest of the Company to Brooks Steriscience Limited (Under Incorporation as a wholly-owned subsidiary of the Company), as per the terms and conditions of business transfer agreement proposed to be executed.

“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, Business Transfer Agreement, 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 regarding 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 with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/ documents, arranging delivery and execution of contracts, deeds, agreements, and instruments.”

“RESOLVED FURTHER THAT the Company be and is hereby authorizes the Directors of the Company, Mr. Atul Ranchal, Chairman and Mr. Rajesh Mahajan, Managing Director to severally sign all the necessary documents, including the business transfer agreement for and on behalf of the Company in connection with the transfer of Vadodara facility and associated assets and liabilities of the facility to Brooks Steriscience Limited, and to do such other acts deeds and things as may be necessary to give effect to this resolution.

10. To consider the slump sale of Baddi facility

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made there-under (including its statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the listing agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, 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 / dispose off its Baddi facility situated at Village Kishanpura, Baddi Nalagarh Road, Baddi, Himachal Pradesh -174101 together with associated assets, liabilities, all the licences, permits, consents and approvals as a going concern/on a slump sale basis on an “as is where is” basis or in any other manner as the Board may deem fit in the interest of the Company to a Special purpose vehicle, that is to be incorporated as a wholly owned subsidiary of the Company.

“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, Business Transfer Agreement, 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 regarding 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 with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/ documents, arranging delivery and execution of contracts, deeds, agreements, and instruments.”

“RESOLVED FURTHER THAT the Company be and is hereby authorizes the Directors of the Company, Mr. Atul Ranchal, Chairman and Mr. Rajesh Mahajan, Managing Director to severally sign all the necessary documents, including the business transfer agreement for and on behalf of the Company in connection with the transfer of Baddi facility and associated assets and liabilities of the facility a special purpose vehicle, that is to be incorporated as a wholly-owned subsidiary of the Company and to do such other acts deeds and things as may be necessary to give effect to this resolution.