



love
HEALS





Love renews. Love cures. Love heals.

Love is a miraculous healer.

It is the best medicine to diminish suffering, drown sorrow, heal wounds and revive the will to live.

Love is the assurance the distressed need to overcome emotional fears and survive meaningfully.

Combining sensitivity and empathy with love and care can gently but surely restore hope and happiness in lives.

Driven with a passion for compassion, we at Morepen have always believed in touching lives and making lifetimes better as providers of healthcare. We also believe that when sensitivity and empathy combine with sincere love and care, hope and happiness can be gently restored in lives.

So let us all come together to help the pandemic distressed with the healing power of love and compassion. For in today's new normal, love is the ultimate healer.

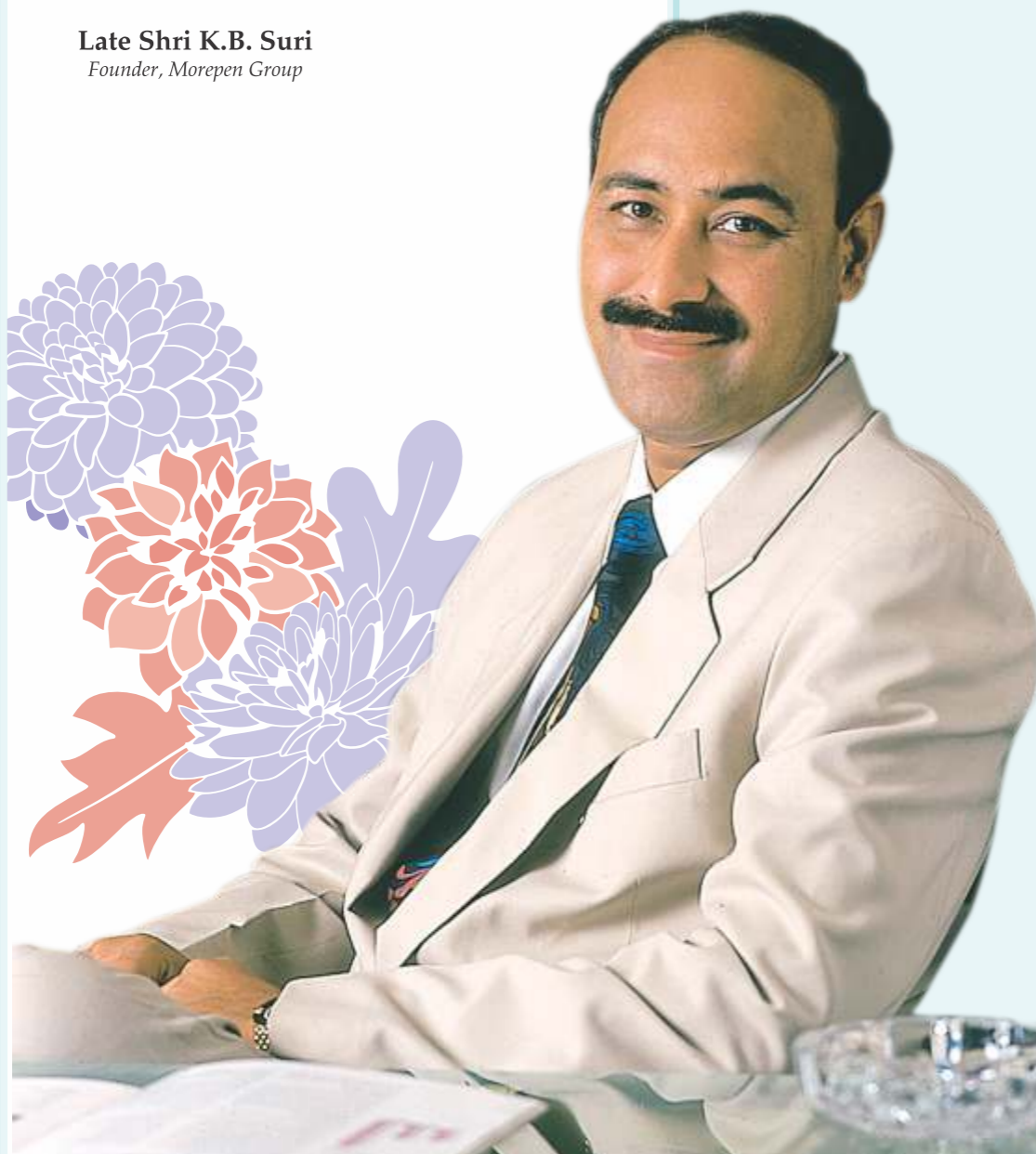




As providers of healthcare, we at Morepen know well that while hurt can be cured with medicines ... true healing however, needs the unadulterated, transformational power of love. For love is an invaluable elixir and the proven healer of both physical wounds and emotional scars.

That's why at Morepen, we have always believed in infusing every molecule of our corporate essence with love and care ... even as we commence our journey to explore newer horizons, to touch more lives and to make lifetimes better for generations to come."

Late Shri K.B. Suri
Founder, Morepen Group



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HEALS

CORPORATE INFORMATION

Chairman & Managing Director

Mr. Sushil Suri

Whole-time Director

Dr. Arun Kumar Sinha
Mr. Sanjay Suri

Independent Directors

Mr. Manoj Joshi
Mr. Bhupender Raj Wadhwa
Mr. Sukhcharan Singh
Mr. Praveen Kumar Dutt
Mrs. Savita

Non-Executive Director

Mrs. Anju Suri

Chief Financial Officer

Mr. Ajay Sharma

Company Secretary

Mr. Vipul Kumar Srivastava

Registered Office

Morepen Village, Nalagarh Road
Near Baddi, Distt. Solan
Himachal Pradesh - 173 205

Statutory Auditors

M/s. Satinder Goyal & Co.
Chartered Accountants

Cost Auditors

M/s. Vijender Sharma & Co.
Cost Accountants

Secretarial Auditor

Mr. Praveen Dua
M/s. PD and Associates
Company Secretaries

Registrar & Share Transfer Agent

MAS Services Ltd.
T-34, 2nd Floor, Okhla Industrial Area
Phase - II, New Delhi - 110 020

Listed at

National Stock Exchange of India Ltd.
BSE Limited

Depositories

National Securities Depository Limited
Central Depository Service (India) Ltd.

Corporate Office

4th floor, Antriksh Bhawan
22, Kasturba Gandhi Marg
New Delhi - 110 001

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From the desk of Chairman

Winston Churchill said : "Success is not final. Failure is not fatal. It is the courage to continue that counts."

The world's tryst with Covid-19 is now over 20 months old. Consecutive waves of the pandemic in effect, has dislodged established realities of human existence. The need for survival is seeing the global population struggle through extended lockdowns, containments and overwhelmed healthcare resources.

Driven by a passion for compassion, we at Morepen believe in reaching out and touching somebody's hand to make their world better, if we can. We believe that hurt heals best when sensitivity and empathy bond with sincere heartfelt love to gently, gradually undo the vice like grip of pain and sadness to ensure life can live again ... move on again.

FY 2020-21 provided Morepen ample opportunities to demonstrate its sense of responsibility and a commitment to address evolving challenges in service of humanity with world-class products. With the pandemic escalating the need for Home Diagnostics, Morepen leveraged an exponentially spiraling opportunity to do never-before business in thermometers, stethoscopes, blood pressure monitors, pulse-oximeters, nebulisers, glucometers, strips, sanitizers, disinfectant solutions, masks and gloves, among others.

Adding to the exhilaration of a record-breaking performance this year is the trust placed on it by Gamaleya Institute, Moscow as one of the Indian manufacturers of SPUTNIK V coronavirus vaccine. It is indeed a proud moment for Morepen!

All business verticals enthusiastically striving to achieve their fullest potential and the entire team working tirelessly and to keep supply lines open during Covid-19 has substantially benefitted both the company and its stakeholders. Indeed, the excellent performance in FY 2020-21 has helped Morepen to fully eliminate all previously accumulated losses. I am grateful to all our stakeholders, suppliers and my colleagues for their unstinted support even through these extremely challenging times.

As life struggles to get back on its feet, Morepen is truly honoured to remain connected with Covid impact mitigation by working round-the-clock to support the dauntless spirit of frontline warriors, healthcare providers and individuals – each doing their best to cope with such trying circumstances.

It's our way of showing love and care for fellow humans.
Indeed ... love is invaluable to human existence for its power to renew, cure and heal.

- Sushil Suri

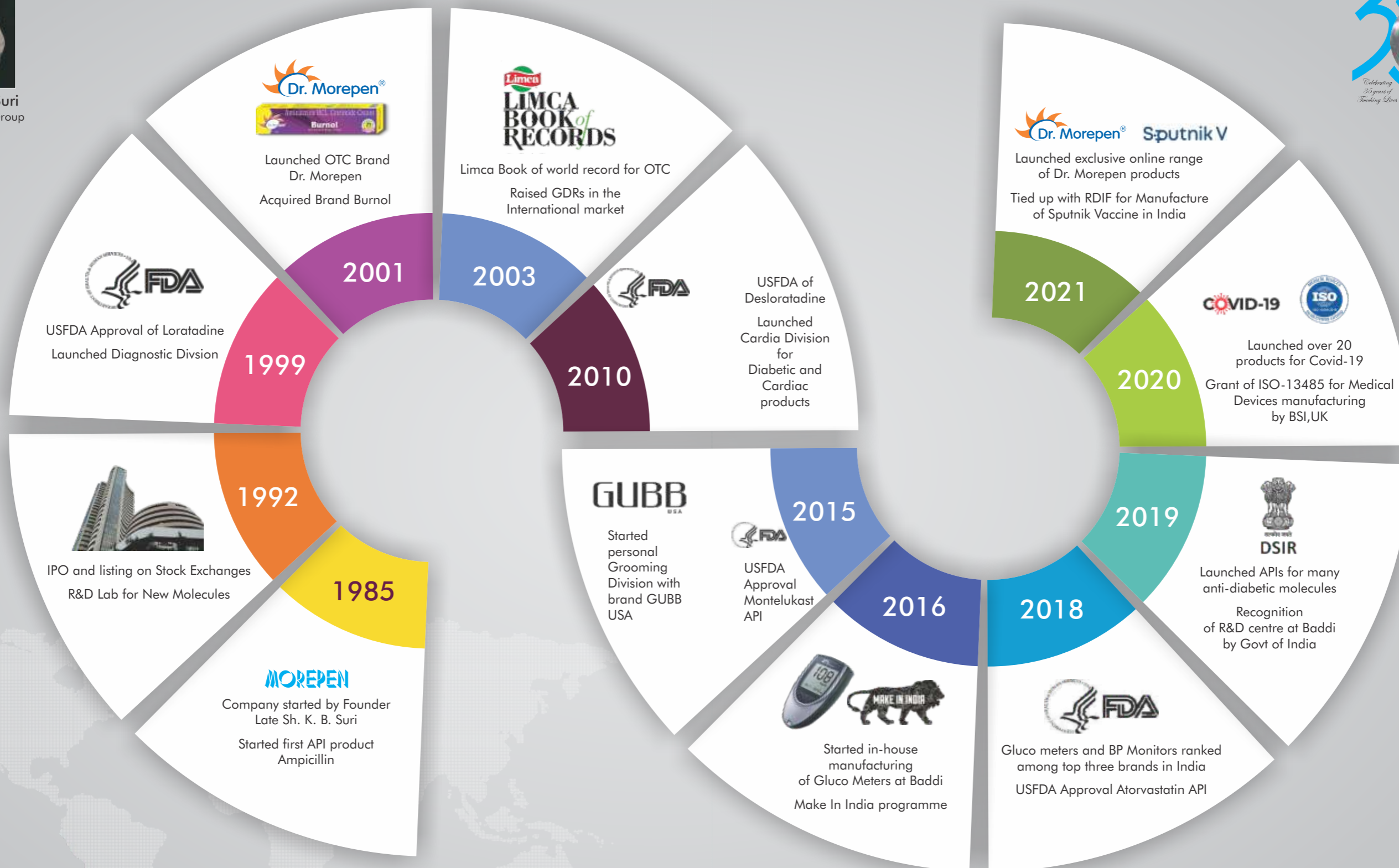




The Journey of Growing Together



Late Shri K.B. Suri
Founder, Morepen Group





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Global Generics

Making impact worldwide

Morepen, an established player in domestic and international API markets, is expanding its horizons by adding niche products in its product portfolio.

With constant emphasis on process improvement, Morepen is serving humanity by supplying top quality products at affordable cost. It is heavily invested on development of new processes by spending on quality assurance protocols. Focus on R&D efforts has been stepped up to offer new products which will take care of future growth.

Over recent years, Morepen has focused on new therapeutic areas of anti-diabetics, 'Gliptins'. These comprise of Sitagliptin, Saxagliptin, Linagliptin, Vildagliptin & Alogliptin along with 'Gliflozins' consisting of Canagliflozin, Empagliflozin, Dapagliflozin Propanediol, Amorphous Dapagliflozin & Ertugliflozin L-Pyroglutamic Acid. It is also investing its resources for development of

products under anti-coagulant therapeutic category i.e., Rivaroxaban, Apixaban and Edoxaban.

The commercialization of Apixaban in Anti-Coagulant category was done following its process validation. Its USDMF has been filed. Further, USDMF has also been filed for another polymorph, Apixaban Form H3 whereas USDMF filing is planned for its Amorphous Form during current year. Further, the commercialization of Edoxaban Tosylate Monohydrate in Anti-Coagulant category has also been completed. Further USDMF is slated to be filed in the current calendar. Development of Improved Chemical Entities/ Novel Chemical Entities (NCE) is under progress in collaboration with NIPER, Mohali. The Molecular docking studies for several lead molecules is in progress.

Development of Technology for Hydroxychloroquine in Anti-Malarial category and Vortioxetine in Anti-Depressant series was completed for which DMF filing is planned in current year.

Development of Technology for Brexpiprazole in Anti-Depressant series and Vonoprazan in Anti-Ulcerative series, Hydrochlorothiazide in Diuretics category and Amlodipine Besylate in Anti-Hypertensive category, Tofacitinib in Anti-Arthritis category and Saroglitazar in Antidiabetic series are planned for the current year.

Morepen is also supporting the fight against COVID-19 pandemic with the development of its vaccine program in technical collaboration with RFID, Russia and another South Korean company for the necessary regulatory approval to market in India. Morepen is the leading supplier of all the basic general requirements of COVID-19 like Nebulizers, SPO2 Meter, BP Monitor, Glucometer, Digital Thermometer and Sanitizer.



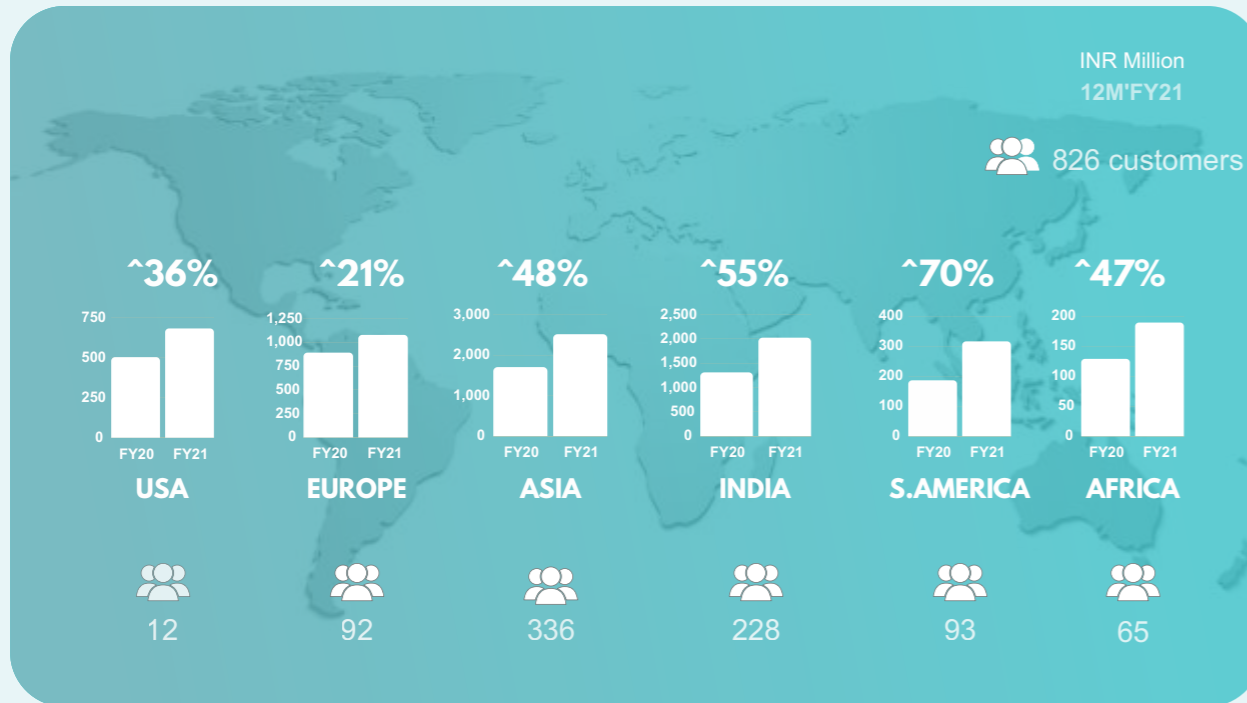
Sanjay Suri
Whole Time Director





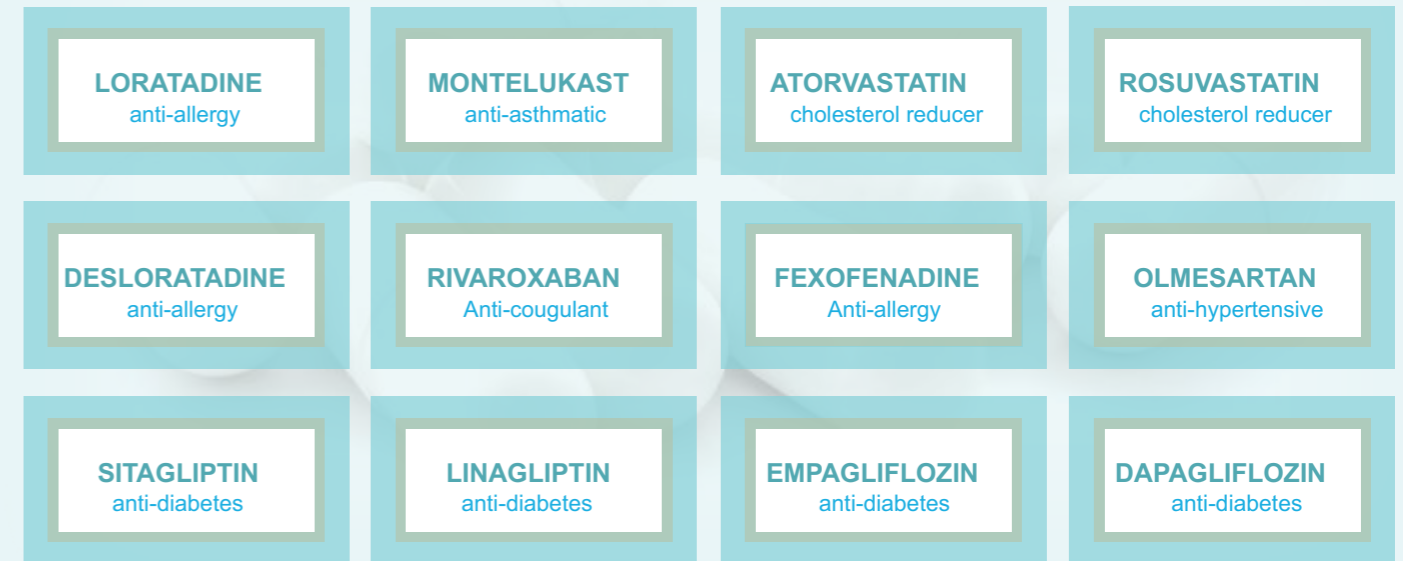
API Business

EXPORTING TO 80 COUNTRIES



API Business

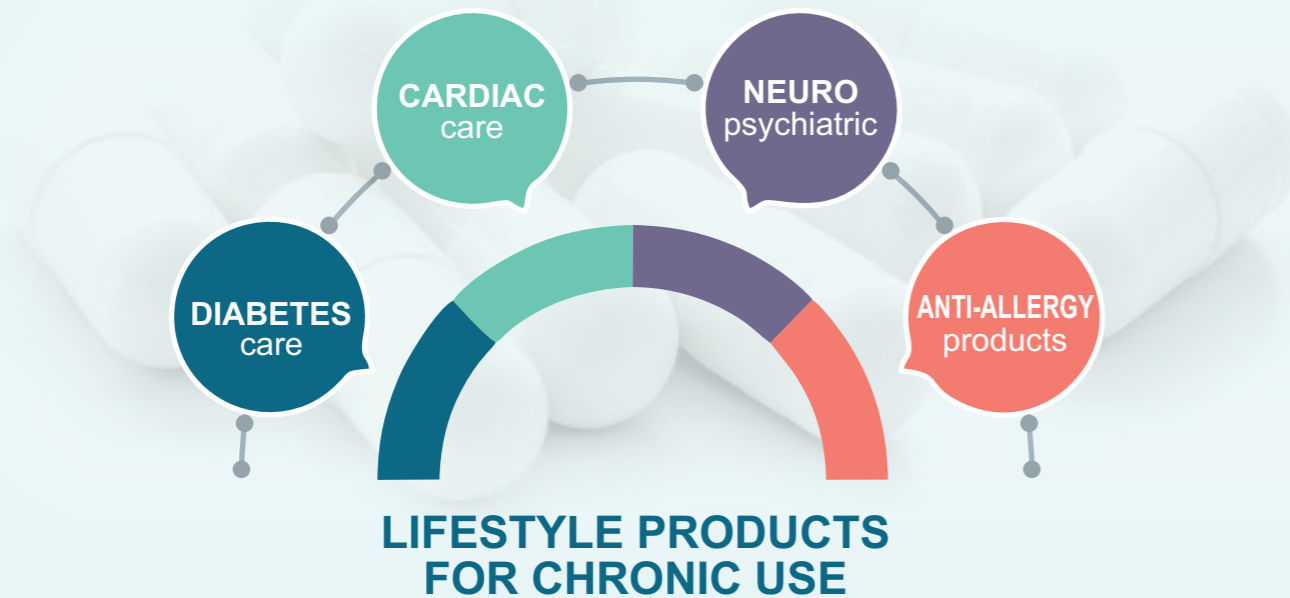
SELECTIVE PORTFOLIO



Note: Products are not offered for sale in the territories where there is valid patent of the product

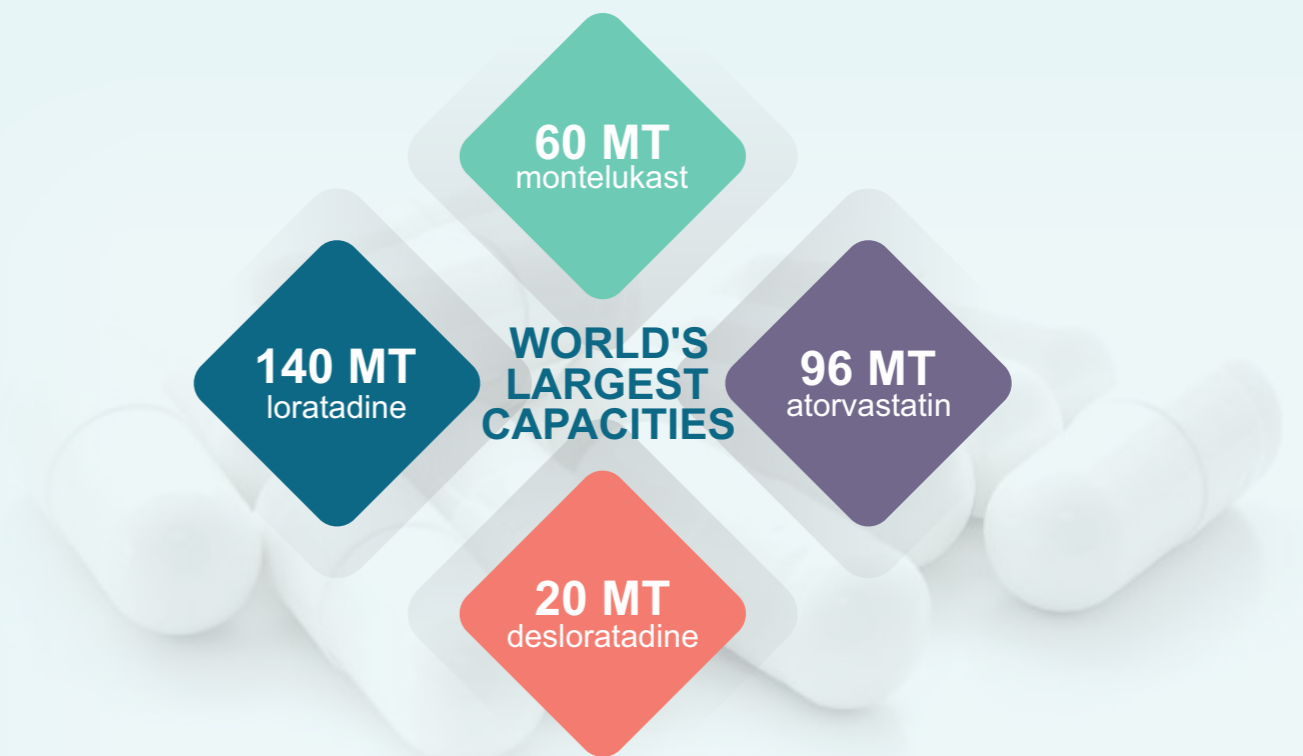
API Business

SELECTIVE PORTFOLIO



API Business

MARKET LEADERSHIP





Kushal Suri
Head-Intl. Business Development



Morepen is looking ahead with a new category of orally active beta-lactam antibiotic belonging to the penem group. It is resistant to some forms of extended-spectrum beta-lactamase and is available for oral use. The main selection in this category is Faropenem & Tebipenem. Other drugs of this category may be added later.

In the area of technological advancement, various new patents were filed by / granted to Morepen as given below:

- Indian patent application entitled "Process for purification of Fexofenadine Intermediates" was granted by Indian Patent office as IN351665.
- PCT National phase application of Rosuvastatin Calcium of new polymorph patent, which was granted in US as US 10,626,093, is in advanced stages in Europe.
- Rosuvastatin Calcium Patent entitled "Novel polymorphic forms of Sitagliptin phosphate and processes thereof" is likely to be granted by Indian Patent Office soon as all necessary communication is completed.
- Indian Patent (Complete Specification) titled "Process for the preparation of Rupatadine Fumarate Form A" was filed as IN201911020274.
- Indian Patent application titled "Novel processes for Crystalline Empagliflozin" was filed as IN202011022352.

- Indian Patent application titled "Improved Processes for removal of Linagliptin Dimer Impurity" was filed as IN202011032689.
- Indian Patent application titled "Preparation of Amorphous Apixaban by Spray Drying" was filed as IN202011050699.
- Indian Patent application titled "Preparation of Amorphous Linagliptin by Spray Drying" was filed as IN202111000551.
- Indian Patent application titled "Preparation of Amorphous Empagliflozin by Spray Drying" was filed as IN202111000552.
- Indian Patent application titled "Preparation of Amorphous Edoxaban Tosylate by Spray Drying" was filed as IN202111001192.
- Indian Patent application titled "New polymorphic form of Vortioxetine Hydrobromide & novel processes thereof" was filed as IN202111007325.
- Indian Patent application titled "Improved Processes for the preparation as well as purification of Brexpiprazole & Acid Salts thereof" was filed as IN202111010850.
- Indian Patent application titled "Novel amine salts of Saroglitazar, Processes thereof & Novel process for preparation of Amorphous Saroglitazar" was filed as IN202111012212.
- Indian Patent application titled "An improved, eco-friendly & commercially viable process for the preparation of a key intermediate of Atorvastatin Calcium" was filed as IN202111017012.
- Indian Patent (Complete Specification) titled "Process for Purification of Apixaban" was filed as IN201911042344.
- Indian Patent (Complete Specification) titled "Novel processes for the preparation of polymorphic form H3 of Apixaban" was filed as IN202011000968.
- Indian Patent (Complete Specification) titled "Improved Process for the Preparation Ertugliflozin L-Pyroglutamate and its Intermediates" was filed as IN202011001308.
- Indian Patent (Complete specification) titled "Improved Processes for the Preparation of Edoxaban Tosylate and its Intermediates" was filed as IN202011009865.
- Indian Patent (Complete specification) titled "Improved Processes for the preparation as well as purification of Vortioxetine Hydrobromide and New Polymorphs thereof" was filed as IN 202011009866.





Global Generics

REGULATORY STATUS







Finished Formulations Quality with health

Quality is at the core of Morepen's research efforts, manufacturing units, testing laboratories and distribution facilities. Thus all resources of the business are dedicated towards maintaining highest quality standards. With high quality products being provided to consumers, the prescription business of the company is now on the growth path.

Over the years, the company has made its presence felt in various therapeutic categories comprising of Gastro, Antibiotics, Vitamins, Nutritional, Anti Diabetics as well as Cardiac. The product basket is being expanded on a continuous basis to attend to the varied health needs of patients over wide range of conditions and symptoms.

Health first - underlying message reasserted by COVID-19

The year started with rapid spread of the Corona Virus pandemic leading to disruption never seen before across multiple business streams. Looking into need of the hour, the company launched Hand Sanitizers, Face Masks and other health care products. It was done to meet increased





demand and help people in the difficult times. To boost immunity and help people tide over the pandemic, Curmore Adult and Curmore Kid were launched for the adult and pediatric population, respectively. Our Brands 'Dom' and 'Acifix' are well trusted by the medical fraternity.

Our dedicated field force worked during lockdown to make available Hand Sanitizers and Face Masks across different parts of country. After lockdown was lifted, the same field force worked tirelessly to regain the business lost during that time.

With the antibiotics in our product portfolio - 'Saltum' and 'Klarim', we committed ourselves to provide products in acute as well as chronic segments.

We have also been consolidating our position in the Indian Probiotics markets. Our product "Intebact", which was introduced in the probiotic segment, with four patented technology products covering people across all ages, has been showing positive results. 'Intebact' also helps in boosting immunity amongst adults and kids.



We are consistent in our belief of adopting the best possible practices for marketing our products.

We have a time tested philosophy that all our products shall be manufactured under the highest standards of quality using ethical sourcing practices as we believe in thinking globally and acting locally.



Anubhav Suri
Business Head-Medipath Division

Home Diagnostics

Point of care products extending help to people at home

The self-care and diagnostic devices business has extended a lifeline to people at large on account of spread of Corona Virus, especially since movement of people was restricted. People were not able to move out of their homes, but they still needed to monitor health parameters like Blood Glucose and Blood Pressure among others. Further, Pulse Oximeters, Nebulizers and Oxygen Concentrators also helped the people a lot in these distressing COVID-19 pandemic times. The extraordinary health conditions brought about by COVID-19 made our business grow exponentially and the devices business registered growth never seen before.



A Compounded Annual Growth Rate (CAGR) of around 41% has been recorded by this business over the last 4 years. Gluco monitor installations during the current year have been 51% more than the previous year and have crossed 5 million units. Glucose testing strips have registered a staggering growth of 45% during the current year and over 600 million strips have been sold till date.

The company is already self-reliant in the production of glucometers and strips. It has manufactured around 1.63 million blood glucose monitors and over 208 million gluco strips in the current year.







Dr. Morepen OTC Business

'Health in your Hands'

Varun Suri
CEO- Consumer Division



MOREPEN

'Dr. Morepen' brand, that promotes the consumer business of the company, has recorded a tremendous growth of 32% in its annual revenues. Many new products were launched in the health basket comprising nutritional and preventive healthcare segment during the year.

New product introductions along with three leading brands comprising of Burnol (Burn Cream), Lemolate (Cough & Cold) and Fiber-X (Sat Isabgol) helped the company to grow its OTC business. New product additions include Dr. Morepen Chyawanprash (Immunity Booster), Dr. Morepen Ironsure (Iron Supplement), Marine Collagen (Protein Supplement), Dr. Morepen Muscle Food (Protein Supplement), Dr. Morepen Daily-E Softgel (Vitamins & Minerals), Dr. Morepen Shilajit Resin (Herbal Immunity Booster), Kabz Dur Tablet (Laxative), Morcet Tablet (Anti-allergic) and Dr. Morepen Honey.

The company will invest in marketing & promotion activities during the coming years to bolster sale revenues. The company also has bigger plans to expand its reach through Online Sales platforms.







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DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting the 36th Annual Report on business, operations and achievements of the company together with the audited financial statements for the financial year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

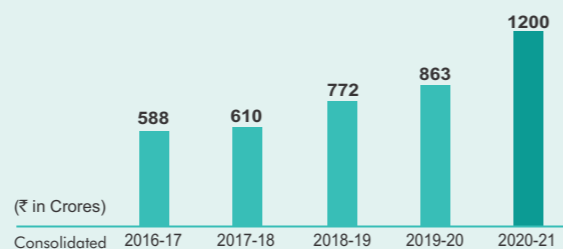
Particulars	Standalone		Consolidated	
	Financial Year		Financial Year	
	2020-21	2019-20	2020-21	2019-20
Sales	110172.24	77985.88	117536.73	83960.26
Other Operating Income	1070.05	1212.86	1268.91	1346.43
Other Income	1177.38	941.72	1206.89	948.35
Total Income	112419.67	80140.46	120012.53	86255.04
Operating Surplus	12414.66	7388.32	13058.30	7799.81
Finance cost	178.79	196.75	178.82	198.45
Cash Surplus	12235.87	7191.57	12879.48	7601.36
Non-Cash Items:				
Depreciation & Amortisation	2811.03	3443.39	3028.33	3690.60
Profit before Tax	9424.84	3748.18	9851.15	3910.76
Tax - Current Year	-	-	143.41	(37.40)
Tax - Earlier Years	-	514.87	(1.26)	(515.47)
Profit before non-controlling interest	9424.84	3233.31	9709.00	3357.89
Less: Non - controlling interest	-	-	0.41	(0.03)
Profit after non-controlling interest	-	3233.31	9708.59	3357.92
Other Comprehensive Income (Net of Tax)	27.26	254.28	14.72	(261.09)
Total Comprehensive Income	9397.58	2979.03	9693.87	3096.83
EPS (Basic)	2.10	0.72	2.16	0.75
EPS (Diluted)	2.09	0.72	2.15	0.75

REVIEW OF PERFORMANCE

The company made a record-breaking performance during the year with major contribution coming from Home Diagnostics and the API businesses of the company which worked hard round the clock, to keep the supply lines open in these difficult times of COVID-19 pandemic and delivered quality products to serve the humanity.

The Home Devices business grew exponentially up by 71% at ₹28,736.77 Lakhs with major contribution coming from Blood Glucose Monitors and Blood Pressure Monitors. API business with current year revenues of ₹68,299.42 Lakhs registered an impressive annual revenue growth of 44%, on the strength of quality growth recorded both in Domestic business as well as Exports Business. The OTC (over the counter) business of the company also contributed for the incredible growth in current year revenues, with its annual revenues of ₹8,554.60 Lakhs, an increase of 32% over its preceding year revenues. The Formulation business with current year revenues of ₹13,136.04 Lakhs recorded a dip of 4.5% against previous year revenues.

REVENUE FROM OPERATIONS



Export Revenue share soared to 40% of the total Revenue in FY21, and exports grew by 39% to ₹47,664.45 Lakhs. Major exports revenue came from API business having 69% export sales to regulated markets as the company maintained the supplies to all the customers worldwide despite lockdown and cargo restrictions. The domestic revenue also recorded an excellent growth of 39% in FY21 at ₹72,348.08 Lakhs in middle of lockdowns and COVID-19 constraints.

The company has been able to maintain its margins across all business segments except formulation business. The company is consistently making new capacity additions and investing in latest processes and systems.

On consolidated basis, annual revenues of ₹1,20,012.53 Lakhs were recorded during the current financial year against last year revenues of ₹86,255.04 Lakhs, a growth of 39.14%.

Financial Performance:

Sales

The consolidated current year sales revenues of ₹1,17,536.73 Lakhs made a stupendous growth of 39.69% over previous year sales revenues of ₹83,960.26 Lakhs. The revenues for the current year at ₹1,20,012.53 Lakhs are up by 39.14% over the preceding year revenues of ₹86,255.04 Lakhs. The export business contributing around 40% of the consolidated sales revenues, is up by 38.87% whereas domestic revenue is up by 39.32%.

On standalone basis, the company registered sales revenues of ₹1,10,172.24 Lakhs as compared to ₹77,985.88 Lakhs during previous financial year, a growth of 41.27%.

Material Cost

Consolidated material cost, as a percentage of sales at 66.41%, is almost at same level as previous year of 66.39%, implying that the company has maintained its cost recovery parameters at the previous levels despite increased costs on account supply chain challenges. The current year sales realizations have compensated the increased input costs, thereby maintaining the product margins.

Employee Cost

The current year's consolidated employee cost is 11.54% of the sales revenue against 13.09% in the last financial year primarily marked increase in current year sales revenues through marginal fall in manpower count also took place. The overall increase in employee cost for the current year is on account of annual merit-based increase.

Other Expenses

The consolidated expenditure on manufacturing, sales & marketing and the administrative activities is at 13.05% of sales revenues, against 13.96% recorded in the preceding financial year. The company has been able to keep under control amount of spend on various administrative and sales & marketing activities despite payments to the fixed deposit holders.

Finance Cost & Depreciation

The annual consolidated finance cost at ₹178.82 Lakhs is down by around 10% against previous year cost of ₹198.45



Lakhs. Annual consolidated depreciation & amortisation charge has come down to ₹3,028.33 Lakhs against ₹3,690.60 Lakhs of previous year.

Other Operating Income & Other Income

The consolidated other operating income represents export incentives, income from foreign operations & others. The export incentives for the current year at ₹1,007.91 Lakhs are down by 17% against preceding year incentives at ₹1,212.86 Lakhs. Others, comprising of income from foreign operations and other income, at ₹261.00 Lakhs are up by 95% during the current year as against ₹133.57 Lakhs in the previous year.

Consolidated other income representing currency fluctuations and interest income at ₹1,206.89 Lakhs is up from previous year of ₹948.35 Lakhs.

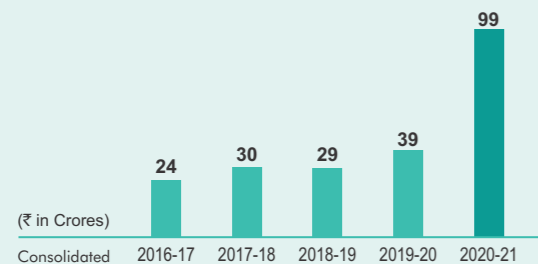
Profit after Tax

The consolidated Profit before interest, depreciation and tax is higher at ₹13,058.30 Lakhs as against ₹7,799.81 Lakhs in the previous year. Net profit after tax but before share of profit from non-controlling interest is at ₹9,709.00 Lakhs against ₹3,357.89 Lakhs in last financial year. The consolidated net profit, exclusive of minority share, at ₹9,708.59 Lakhs is up by 189.12% over previous years' profit of ₹3,357.92 Lakhs. Total Comprehensive Income for





PROFIT BEFORE TAX



the year is ₹9,693.87 Lakhs vis-a-vis ₹3,096.83 Lakhs of previous year, a growth of 213.03% over preceding year.

On standalone basis, the Net Profit after tax for the year is at ₹9,424.84 Lakhs as against ₹3,233.31 Lakhs during previous financial year, a growth of 191.49%. Total Comprehensive Income for the year is at ₹9,397.58 Lakhs vis-a-vis ₹2,979.03 Lakhs of the preceding year, a growth of 215.46%

Division wise Business Performance: Active Pharmaceutical Ingredients (API)

API business during the current year revenues of ₹68,299.42 Lakhs has recorded an impressive growth of 44.11% against previous year revenues of ₹47,394.72 Lakhs on the strength of quality growth recorded both in Domestic business as well as Exports Business, with domestic API Revenues going up by 58 % and Export Revenues recording a growth of 39%. During the year, API share in total revenue has gone up from 60.8% to 62% a jump of 120 bps. The company added 104 new customers during the year despite restricted movements and zero travels. The global markets comprising of America, South America, Europe, Africa, Asia and India have grown at incredible rate strengthening the company's position in the time of this pandemic.

The company has been able to maintain better price realisation and the volume growth across all its product segments. Both Loratadine and Rosuvastatin have recorded a revenue growth of 60% during the year and clocked combined sales revenues of ₹32,539.40 Lakhs against ₹20,333.59 Lakhs recorded in the preceding year. Likewise, both Montelukast and Fexofenadine have recorded an annual growth of over 31% during the year having combined revenues of ₹20,657.10 Lakhs, a growth of 31.72% over last year. Atorvastatin, anti-cholesterol, drug has recorded a revenue of ₹10,417.02 Lakhs during the year, a growth of 24.89% over the preceding year.

Main products comprising of Loratadine, Montelukast, Atorvastatin and Rosuvastatin have recorded combined

sales revenues of ₹61,723.79 Lakhs against ₹42,921.15 Lakhs clocked in the previous financial year, a growth of 43.81%. The current year sales revenues for new molecules at ₹2,806.18 Lakhs is up by 23% against last year revenues of ₹2,177.90 Lakhs.

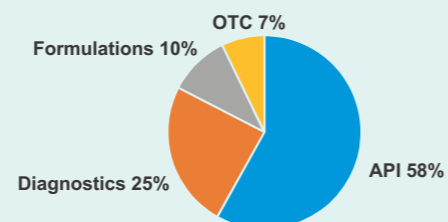
API business has recorded a compounded annual growth rate (CAGR) of 26.29% during last 4 years.

Home Diagnostics – Device Business

With current year revenues growth of 70.70% at ₹28,736.77 Lakhs, the Diagnostics Devices business of the company has made deep in roads into domestic Blood sugar measuring business as well Blood pressure monitoring devices business. The Blood sugar measuring business as well Blood pressure monitoring devices business have recorded a CAGR of 40.68% and 42.54%, respectively, during last 4 years. On overall basis, during these 4 years, the devices business has recorded a CAGR of 40.62%. During the current year, Blood Gluco Monitoring business with current year revenues of ₹18,045.62 Lakhs has registered a growth of 50.96% over the previous year sales revenues of ₹11,954.30 Lakhs. With fresh installations of 1.69 million during the current year, over 5 million Gluco monitors have been installed till date. With 188 million glucose testing strips have been sold during the year, till date over 600 million glucose testing strips have been sold in the domestic and export markets.

Blood Pressure Monitors with current year Sales revenues of ₹6,301.60 Lakhs has recorded an outstanding growth of 116.85% over the previous year revenues of ₹2,906.01 Lakhs.

CONSOLIDATED SALE REVENUE



Consolidated

Nebulisers with current year sales revenue of ₹1,485.61 Lakhs recorded a handsome growth of around 18.27% in current year. Thermometers with current year revenues of ₹1,576.49 Lakhs has recorded a growth of 517.19% during the year. Other's product category with current year revenues of ₹1,327.45 Lakhs has recorded a growth of 186.75% over last year business of ₹462.92 Lakhs.

In house manufacture of Stethoscope along with Blood Glucose Monitors and strips is already in progress for many years. The company has also initiated manufacturing thermometers and pulse Oximeter and the Nebulizers. The company has become self-reliant in the production of glucometers and strips. The company is adopting new technologies including the state-of-the-art robotic technology in its production process of medical devices to improve quality and efficiency. During the past many years, the Home Diagnostics business has made humongous growth in its sales revenue and captured commendable position in Blood Glucose and Blood Pressure Monitoring business. It is fully geared up to grab all the opportunities in point of care business, wherein people will get to know about body parameters from safe haven of their home.

The company has invested in the Glucometer's placements in the market in the current year to expand the customer base. These investments have paid off very well in expanding its customer base for the glucose strips and expected to continue in the coming years.

Finished Formulations

The consolidated current year sales revenue for the Finished Dosages business at ₹11,945.90 Lakhs recorded a dip of 10.61% against previous year revenues of ₹13,364.54 Lakhs due to 21.12% drop in branded formulation business of the company at ₹3,205.19 Lakhs and 15.95% drop in generics business at ₹4,908.00 Lakhs. However, Contract Manufacturing business at ₹3,832.71 Lakhs recorded a growth of 10.72% over the previous year. Some of sales were lost on account of restriction imposed by COVID-19 curfew and not enough doctor's prescription being generated as doctors abstained from operating from their clinics. Under the Branded Prescription (Rx) product category, the top three therapeutic categories namely Antibiotics, Gastroenteritis and Vitamins contributed ₹2,010.52 Lakhs to branded formulation business, against ₹3,110.32 Lakhs contributed to the previous year.

DIVIDEND

For the year under review, the Directors do not recommend any dividend with a view to plough back the profits in the business. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 effective from 5th May, 2021, the company being a top 1000 listed entity on the basis of market capitalisation as on 31st March, 2021, formulated and adopted dividend distribution policy on 27th July, 2021, which is available on website of the company and can be accessed on weblink.

<https://www.morepen.com/public/img/Dividend%20Distribution%20Policy.pdf>

RESERVES

Standalone net profit after tax of ₹9,424.84 Lakhs is carried forward to the Retained Earning. During the year under review, no amount was transferred to the General Reserve.

DEPOSITS

Your Company has not accepted any deposits from the public, during the year under review, within the meaning of Section 73 of the Companies Act, 2013 ('the Act') read with the Companies (Acceptance of Deposits) Rules, 2014.

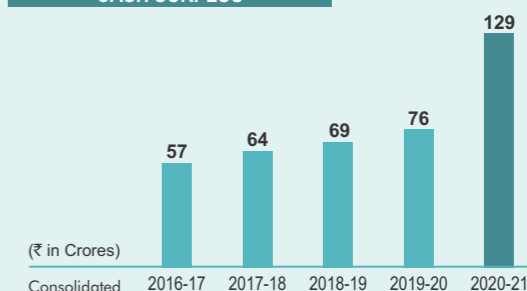
FINANCES

The management team is working tirelessly, with all enthusiasm and responsibility for substantial value addition and growth of the company and other stakeholders. All the business verticals are provided full focus and worked on with full details to make them grow to their fullest potential. Each business is being looked after by different business heads, keeping in view of unique properties of each business.

In view of no institutional working capital support being available with the company, the internal accruals are being put in to fund the growth path for all business segments.

In the past, the preference shares were pending for redemption on account of unavailability of distributable profits in terms of Section 55(2) (a) read-with Section 123 of the Companies Act, 2013 and its rules made thereunder. The excellent performance for the current year has helped the company to fully eliminate all its accumulative losses. To fund the operations and profitable growth of the company, the company intends to retain the surplus. However, the company will explore suitable options to deal with matter of redemption of outstanding preference shares including proposal for issuance of equity shares subject to necessary statutory approvals including approvals of preference shareholders. Most preference shareholders comprising of banks and financial institutions who were issued the preference shares, in satisfaction of their outstanding debt under Corporate Debt Restructuring ('CDR') Scheme, have responded positively to the company's aforesaid proposal.

CASH SURPLUS





TRANSFER OF THE MEDICAL DEVICES BUSINESS INTO WHOLLY OWNED SUBSIDIARY COMPANY

The point-of-care (‘POC’) Medical Devices business has recorded exponential growth and has gained very high market share, thanks to the trust imposed by the customers and trade on the company’s product quality and after sale service. In house manufacturing of the key products has given further impetus to cost reduction and fuelled the growth trajectory. Given that the fast scaling up of business and mainstreaming of Point of Care business in India, the company targets a leadership position in POC business. In light of this, the company plans to carve out the business into a separate wholly owned subsidiary both for building teams to manage scale of operations of large and fast-growing business and unique features of POC business. Given the scale the company is looking to achieve in this point of care Medical Devices business, it also plans to bring in fresh capital that makes it imperative to have a separate subsidiary to undertake this fast expanding.

Keeping in view the above and in order to unlock the value of the point-of-care medical devices business of the company and provide a platform for growth and scale-up of the business, the Board of Directors in their meeting dated 1st September, 2021 approved the proposal to hive off of the Medical Devices Business into a wholly owned subsidiary of the Company, which is under process of incorporation, on slump sale basis, as provided under provisions of Section 2(42C) (“Slump Sale”) of Income Tax Act, 1961, subject to receipt of requisite regulatory approvals including that of the members of the company and subject to execution of a business transfer agreement between the Company and the said wholly owned subsidiary. The medical devices business of the company will be transferred at a lumpsum consideration, of Rs. 5500.00 Lakhs (Rupees Five Thousand and Five Hundred Lakhs), a fair value, arrived at, per Rule 11 UAE of Income tax Rules, 1962, and other relevant provisions of Income Tax Act, 1961. The said consideration will be discharged by the wholly owned subsidiary, by way of issuance of 5,50,00,000 (Five Crore Fifty Lakh) nos. of Equity Shares of face value of Rs.10/- (Rupees Ten Only) each to the Company. The aforesaid transaction will be completed or before 31st March 2022, subject to receipt of requisite regulatory approvals, shareholders approvals and fulfilment of customary closing conditions.

SHARE CAPITAL

During the year under review, the Authorised Capital of the company has been increased to ₹25,000.00 Lakhs from then existing capital of ₹21,000.00 Lakhs. However, there was no change in the paid-up Equity Share Capital of the

company which as on 31st March, 2021, was ₹8,995.86 Lakhs.

During the year, the company has issued and allotted 7 (Seven) Crores fully convertible warrants (‘Warrants’) to the entities belonging to the promoter group. These warrants would be converted into Equity Shares of the company within a period of 18 months as per the provision of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

The Equity Shares of the Company are listed at following Stock Exchanges:

1. National Stock Exchange of India Limited (NSE)
2. BSE Limited (BSE)

Annual listing fee for the financial year 2021-22 has been paid to both the Stock Exchanges. The Equity Shares continue to be listed on both NSE and BSE.

Apart from unredeemed Preference Shares, the dividends on these Preference Shares are also lying unpaid for a period of more than two years, therefore the holders of these Shares are entitled to vote on all resolutions placed before the Company. The proportion of voting rights of Equity Shareholders to the voting rights of Preference Shareholders shall be in proportion to their paid-up capital.

SUBSIDIARIES / JOINT VENTURES / ASSOCIATES

The Company has three subsidiaries as on 31st March, 2021, namely:

1. Dr. Morepen Ltd.
2. Total Care Ltd. (subsidiary of Dr. Morepen Ltd.)
3. Morepen Inc., USA

Dr. Morepen Limited

The Over the Counter (OTC) business of the company promoted under brand ‘Dr. Morepen’ and carried under wholly owned subsidiary Dr. Morepen Limited, has made substantial growth during the year. It has recorded a CAGR of 20.50% during last 4 years. On standalone basis the company has recorded a topline of ₹8,554.52 Lakhs as against ₹6,462.64 Lakhs recorded in the preceding year, growth of 32.37%. On the strength of new Covid range of products adding ₹1,983.32 Lakhs to the topline, the OTC business has recorded handsome growth despite marginal degrowth in the regular OTC products range.

Various new products were launched in the Health Basket in the nutritional and preventive healthcare segment during the year. The new product additions include Dr. Morepen Chyawanprash (Immunity booster), Dr. Morepen Ironsure (Iron supplement), Marine Collagen (Protein Supplement), Dr. Morepen Muscle Food (Protein supplement), Dr.





Morepen Daily-E Softgel (Vitamins & Minerals), Dr. Morepen Shilajit Resin (Herbal Immunity Booster), Kabz Dur Tablet (Laxative), Morcet tablet (Anti allergic) and Dr. Morepen Honey & others.

The company's primary brands like Burnol (Burn Cream), Lemolate (Cough & Cold) and Fiber-X (Sat Isabgol) with combined sales revenues of ₹2,006.33 Lakhs posted 17.77% growth in their annual revenues. Other upcoming and reach based brands with sales revenue of ₹3,197.01 Lakhs have recorded a small dip of 2.43% during the year.

The grooming business, with brand name 'GUBB' recorded sales revenue of ₹1,367.86 Lakhs against previous revenues of ₹1,482.41 Lakhs, registering a dip of 7.73% over the preceding year. The company is working hard to grow the business in the coming years keeping in view large space being available for the growth of OTC and grooming products business.

The company seeks to invest more in this business with the continuous focus on new product additions, entering new markets and increasing product reach and availability.

Total Care Limited

The company is dealing in OTC & Health Care products. The scale of Company's operations continues to be minimal since past few years with marginal operating revenue recorded during the year.

Morepen Inc.

Morepen Inc. is the marketing and distribution interface of the Company in USA for its API business, various OTC & other products. During the year under review, the company has recorded revenue of ₹181.89 Lakhs (\$247,371) as against ₹133.57 Lakhs (\$177,155) of previous year, a growth of 36.17%. The company, during the year, has recorded post tax profit of ₹48.72 Lakhs against profit of ₹74.46 Lakhs recorded in the preceding year.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31st March, 2021 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 together with the comparative period data as at and for the previous year ended 31st March, 2020.

In accordance with the Companies Act, 2013 and Indian Accounting Standards (Ind AS) 110 on 'Consolidated Financial Statements' read with Ind AS 112 on 'Disclosure Interest in other entities', the Audited Consolidated Financial Statements is provided in the Annual Report.

In accordance with the provisions of Section 129(3) of the Act, read with the Companies (Accounts) Rules, 2014, a

report on the performance and financial position of each of the subsidiaries is attached as ANNEXURE 'A' to this Report in the prescribed form, AOC-1.

DIRECTORS & KEY MANAGERIAL PERSONNEL
Changes in Directors & Key Managerial Personnel

The members at 35th Annual General Meeting (AGM) of the Company held on 30th September, 2020 approved the:

- I. Re-appointment of Dr. Arun Kumar Sinha (DIN: 00450783), as Director who was liable to retire by rotation at 35th Annual General Meeting and being eligible, offered himself for re-appointment.
- II. Appointment of Dr. Savita (DIN: 08764773) as an Independent Director of the Company for a term of five years with effect from 22nd June, 2020 to 21st June, 2025, not liable to retire by rotation. Dr. Savita was appointed by the Board as an Additional Director in the capacity of Independent Director of the Company effective from 22nd June, 2020 in terms of Section 161 of the Companies Act, 2013.

Mr. Sanjay Suri (DIN: 00041590), Whole-Time Director of the Company, who is liable to retire by rotation pursuant to the provisions of Section 152 and other applicable provisions of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014, as amended or re-enacted from time to time, has given his consent and being eligible offered himself for re-appointment, in the ensuing Annual General Meeting.

Declaration by Independent Director(s)

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company.

Evaluation of Board, Committees and Directors

Pursuant to the provisions of the Act and Regulation 17 of Listing Regulations, the Board has carried out its own performance evaluation, that of the Committees and the individual performance of its directors. The manner in which the evaluation has been carried out has been provided in the 'Corporate Governance Report'.

Familiarization Programme for Independent Directors

The details pertaining to Familiarization Programme for Independent Directors has been incorporated in 'Corporate Governance Report'.

Meetings of Board of Directors

The Board of Directors met Seven (7) times during the year under review, to transact the business of the company, the details of which are given in 'Corporate Governance Report'.

Independent Directors Meeting

During the year under review, a separate meeting of the Independent Directors of the Company was held on 12th February, 2021, without the presence of Non-Independent Directors and members of the Management, except Company Secretary. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, performance of chairperson of the company and assessed the quality, quantity and timelines of flow of information between the company management and the Board. All the Independent Directors of the company were present in the meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Act, your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, confirm that:

- a) in the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever applicable, within statutory prescribed timeline.
- b) your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for prevention and detecting of fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) internal financial controls to be followed by the company have been laid down and such internal financial controls are adequate and were operating effectively;
- f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

MANAGERIAL REMUNERATION AND OTHER DISCLOSURES

Disclosure pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) Ratio of the remuneration of each Director to the median remuneration of the employee's (MRE) and other details pursuant to Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed and forms part of this report as ANNEXURE 'B'.
- b) The Statement containing the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and other applicable Rules (if any) 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 and Corporate office of the company during the working hours. Any member interested in obtaining a copy of the same may write to the company and obtain the copy within statutory prescribed timeline.
- c) No Director of the company, including its Managing Director or Whole-Time Director, is in receipt of any commission from the company or its subsidiary company.

AUDIT COMMITTEE

Your Company has an Audit Committee in compliance of the provisions of Section 177 of the Act and Regulation 18 of Listing Regulations. The complete details with respect to Audit Committee, as required to be given under the aforesaid provisions, is given in the 'Corporate Governance Report'.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has established a Whistle Blower Policy/Vigil Mechanism through which its Directors, Employees and Stakeholders can report their genuine concern about unethical behaviours, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The said policy provides for adequate safeguard against victimization and also direct access to the higher level of superiors including Chairman of the Audit Committee in exceptional cases. The same is reviewed by the Audit Committee from time to time.

RISK MANAGEMENT

The Company has in place a mechanism to inform the



Board about the risk assessment and minimisation procedures and periodical review to ensure that management controls the risk through means of a properly defined framework.

The Company has formulated and adopted Risk Management Policy to prescribe risk assessment, management, reporting and disclosure requirements of the Company.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 effective from 5th May, 2021, the company being a top 1000 listed entity on the basis of market capitalisation as on 31st March, 2021, formed a Risk Management Committee of the Board of Directors for monitoring and reviewing of the risk and its management thereof. The detailed information with respect to the Risk Management Committee is given in the 'Corporate Governance Report'.

NOMINATION AND REMUNERATION COMMITTEE

Your Company has a Nomination and Remuneration Committee in compliance with the provisions of Section 178 the Act and Regulation 18 of Listing Regulations. The complete details with respect to the salient features of Nomination and Remuneration Committee, as required to be given under the aforesaid provisions, is given in the 'Corporate Governance Report'.

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel (KMP) and other employees of the company as formulated by Nomination and Remuneration Committee, pursuant to provisions of Section 178 of the Act and Para A of Part D of Schedule II of Listing Regulations, which acts as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

The detailed policy formulated by Nomination and Remuneration Committee can be accessed at <https://www.morepen.com/public/img/pdf/Nomination-and-Remuneration-Policy.pdf>

STATUTORY AUDITORS

M/s. Satinder Goyal & Co. (Chartered Accountants FRN: 027334N), the Statutory Auditors of the Company, were appointed by the shareholders in the AGM held on 22nd September, 2017, pursuant to provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Act, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to all the

applicable laws and regulations for a term of five (5) consecutive years to hold office from the conclusion of the 32nd Annual General Meeting until the conclusion of 37th Annual General Meeting, to be held in the year 2022, subject to ratification of appointment by the members at every Annual General Meeting.

The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 7th May, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the ensuing Annual General Meeting.

EXPLANATION TO AUDITORS REPORT

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Further, vide Para (viii) of the Annexure 'A' to the Auditors' Report, the auditors have observed that the company has not redeemed the Preference Shares which have been due for redemption since past many years. The company in the Note No. 17 to the Financial Statements for the year ended 31st March 2021 has explained the reason thereof.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Praveen Dua, Company Secretary, Proprietor of M/s. PD and Associates, Company Secretaries, was appointed by Board of Directors of the Company as Secretarial Auditors of the Company for the financial year 2020-21. The Secretarial Audit Report is annexed and forms part of this report as ANNEXURE 'C'.

During the year, Dr. Morepen Limited, identified as material unlisted subsidiary company, in accordance with the provisions of Regulation 16 (1)(c) of the Listing Regulations and pursuant to the Regulation 24(A)(1) of the Listing Regulations, a report on Secretarial Audit of Dr. Morepen Limited is annexed herewith as ANNEXURE 'C-1'.

EXPLANATION TO SECRETARIAL AUDIT REPORT

The Notes referred to in the Secretarial Auditor's Report are self-explanatory and do not call for any further comments. The Secretarial Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

The observations in respect of Fixed Deposit holders and appointment of Central Government nominee Directors, have been duly explained herein in point (iii) and (i) of 'Legal and Corporate Matters', respectively. In respect of non-redemption of the Preference Shares, the explanation

is given in Note No. 17 to the Financial Statements for the year ended 31st March, 2021.

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report in compliance with Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report forms part of this Annual Report, is enclosed as ANNEXURE 'H'.

SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

COST AUDIT

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting Records maintained by the Company in respect of its Bulk Drugs and Formulations activity are required to be audited by Cost Auditors. The Board of Directors of the Company has, on the recommendation of the Audit Committee, appointed M/s. Vijender Sharma & Co., Cost Accountants, as the Cost Auditor of the Company for the financial year ended 31st March, 2022, at a remuneration of ₹2.00 Lakhs, subject to the ratification of their remuneration by the shareholders in the ensuing Annual General Meeting.

INTERNAL FINANCIAL CONTROLS

The company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. The company's internal financial control procedures ensure that company's financial statements are reliable and prepared in accordance with the applicable laws.

To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. Based on the internal audit report, process owners undertake corrective action in their respective areas and thereby strengthening the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. The internal auditor carries out extensive audits throughout the year across all functional areas and submits its reports from time to time to the Audit Committee of the Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility ('CSR') Committee of the company was constituted by the Board to monitor implementation of CSR activities by the company in accordance with Section 135 read with Schedule VII of the

Act read with (Corporate Social Responsibility Policy) Rules, 2014, as amended. The composition of the CSR Committee, CSR Policy and Projects approved have been placed on the website of the company. Based on the recommendation of the CSR Committee, your Board has adopted a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII.

The Report on CSR Activities with details of the composition of CSR Committee, CSR Policy, CSR initiatives and activities during the year is annexed and forms part of this report as ANNEXURE 'D'.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace pursuant to the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC, while dealing with issues related to sexual harassment at the workplace. All women employees whether permanent, temporary, contractual and trainees are covered under this policy. The Company has not received any complaint during the year.

LEGAL & CORPORATE MATTERS

(i) In an application filed by the Central Government under Section 408 r/w Section 397/398 of the Companies Act, 1956 before Hon'ble Company Law Board ('CLB'), Delhi for the appointment of six directors on the board of the company, the Hon'ble CLB vide its order dated 1.7.2005 allowed appointment of two central government nominees as directors on the Board of the company for a period of 3 years.

Aggrieved by the aforesaid order, the company filed an Appeal before the High Court of Himachal Pradesh at Shimla with a prayer to set aside the CLB order dated 1.7.2005. The Central Government had also filed an appeal before the High Court of Himachal Pradesh at Shimla against the aforesaid order of CLB.

The Hon'ble High Court after hearing both the appeals, vide its judgment dated 16.04.2007 upheld the decision of the CLB, appointing two government directors on the board of the company & disposed of both the appeals.

In two cross appeals filed by the company and the



Central Government before Hon'ble Supreme Court of India, against the impugned judgement dated 16.04.2007 of the Hon'ble High Court of Himachal Pradesh, confirming appointment of two government nominees on the board of the company for 3 years under provisions of erstwhile Companies Act, 1956, the Hon'ble Supreme Court vide its order dated 16.7.2007 ordered 'status quo', on the matter.

The company vide its interim application dated 17.07.2018, sought to bring before Hon'ble Supreme Court, the factum of substantial improvement in the financial position of the company including issuance of shares to the fixed deposit holders and payment of outstanding dues to lending banks & financial institutions and sought to place on record before the Hon'ble Court the subsequent developments. The Hon'ble Supreme Court vide its order dated 9th July, 2019, held that no interference in the aforesaid decision of Hon'ble High Court is called for and further added that it would be open for the company to agitate the subsequent events before the concerned forum.

In terms of the aforesaid liberty granted by the Hon'ble Supreme Court, the company has filed an application before the NCLT, Chandigarh with a prayer that the appointment of two government nominee directors is not required considering the subsequent developments that have taken place post passing of order dated 01.07.2005 by Hon'ble Company law Board (CLB) and grant ex-parte ad interim. The Central Government has also filed a Contempt Petition before Hon'ble NCLT, Chandigarh for non-compliance of CLB order dated 1.7.2005. The matter is under adjudication.

- (ii) In the matter of prosecutions filed by the Registrar of Companies/Central Government against the company and its directors pursuant to Section 235 of the erstwhile Companies Act, 1956, the Company is defending against the said prosecutions before the Court and the matter is under adjudication.
- (iii) During the financial year ended 31st March 2010, the company had allotted 9,24,90,413 Equity Shares to the fixed deposit holders in settlement of their fixed deposit ('FD') dues pursuant to the Scheme of Arrangement & Compromise under Section 391 of the Companies Act, 1956, approved by the Hon'ble High Court of Himachal Pradesh, Shimla vide its order dated 4th August 2009.

The Central Government filed an appeal against the aforesaid order of the single judge, before Division Bench of Himachal Pradesh High Court, at Shimla which vide its order dated 14.09.2010 allowed the

appeal, inter-alia, set aside the order passed by the single judge dated 04.08.2009 and remanded the matter back to the single judge for deciding the petition afresh.

The company filed a civil appeal in the Hon'ble Supreme Court of India against the order of the Hon'ble High Court dated 14.09.2010. The Hon'ble Supreme Court disposed of the aforesaid appeal on 14.01.2011 and remitted the matter to the single judge for adjudication and requested the single judge to decide the matters within two months.

In the meantime, pursuant to Rule 3 of the Companies (Transfer of Pending Proceedings) Rules, 2016, the matter was transferred from Hon'ble High Court of Himachal Pradesh to the National Company Law Tribunal ('NCLT'), Chandigarh.

After hearing the matter, the NCLT, Chandigarh, vide its judgment dated 12.03.2018, ordered the cancellation of Equity Shares allotted to FD holders (except to those FD holders who have since traded/ transferred their shares) and pay the outstanding fixed deposit dues to such FD holders.

An appeal filed by the company before Hon'ble National Company Law Appellate Tribunal (NCLAT), New Delhi against the aforesaid NCLT order, was set aside, which by its order dated 23.07.2019 upheld the impugned NCLT, order dated 12th March, 2018.

In compliance of the Hon'ble NCLT, Chandigarh, order dated 12.03.2018, the company in August 2019 informed (individual notices and advertisement in newspapers) all the eligible shareholders (erstwhile FD holders), holding the Equity Shares as originally allotted to them under the 391 Scheme for surrendering their shares for the cancellation and payment of fixed deposit dues as per the aforesaid NCLT order.

The company has sent individual notice (through speed post/ registered post) to each eligible fixed deposit holder, published newspaper notices in the month of July, 2020 as a final reminder. The said notices were placed on the website of the company, for tendering of their equity shares with the company for the cancellation and refund of fixed deposit dues in lieu thereof.

Till 27th July, 2021, 4,953 no. of fixed deposit holders submitted 50,38,983 Equity Shares for cancellation, with the company and provided their bank and identification particulars for payment of their FD dues. All these FD holders were paid their entire FD dues as

per terms of Hon'ble NCLT order dated 12.03.2018. The company has approached the Stock Exchanges for the cancellation of these shares, against which pay-out has been made, in compliance with Hon'ble NCLT order dated 12.03.2018.

The Board of Directors are in view that the company has given sufficient time and opportunity to the eligible shareholders ('FD holders') and decided to conclude the process of surrender of shares and refund of FD dues. The company published notice dated 27th July, 2021 in newspapers for information of all the concerned persons, the said notice has also been submitted with the Registrar of Companies and stock exchanges.

EXTRACT OF ANNUAL RETURN

The detailed extract of Annual Return in Form MGT-9 as required under Section 134(3)(a) of the Act is annexed and forms part of this report as ANNEXURE 'E'. The same is available at the website of the Company at <http://www.morepen.com/pdf/Annual-Return.pdf>

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the company, which have occurred between the end of the financial year of the Company and the date of this report.

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

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo, as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is annexed and forms part of this report as ANNEXURE 'F'.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions that were entered into

during the financial year were on arm's length basis and in the ordinary course of business. During the year under review there were no materially significant related party transactions, including arm's length transactions; hence, disclosure in Form AOC – 2 is not required.

The complete details with respect to contracts or arrangements with related parties as required to be given under the Act and Part C of Schedule V of Listing Regulations is given in the 'Corporate Governance Report'.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of the operations and performance of the Company is set out in the Management Discussion and Analysis Report pursuant to Part B of Schedule V of Listing Regulations which forms part of the Annual Report for the year under review as ANNEXURE 'G'.

HUMAN RESOURCES

A detailed review of Human Resources of the Company is set out in the Management Discussion and Analysis Report.

CORPORATE GOVERNANCE

A Report on Corporate Governance along with a certificate from the Practicing Company Secretary regarding compliance with conditions of Corporate Governance as stipulated in Part E of Schedule V of Listing Regulations forms part of this report and is annexed as ANNEXURE 'I'.

ACKNOWLEDGEMENTS

The directors of the company place on record their gratitude to the Central Government, State Governments, drug control authorities, company's bankers, GMP consultants, auditors, medical & legal professionals and business partners for the support, co-operation and support they have extended to the company. Your directors also wish to place on record, their gratitude and appreciation for their unstinted support and continued efforts of investors, vendors, dealers, business associates and employees in helping the company to better its past performance.

Your directors look forward to your continued support, in our efforts, to grow together and promote health through delivery of quality products at affordable price.

For and on behalf of Board of Directors

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: New Delhi
Date: 1st September, 2021



ANNEXURE 'A'

FORM AOC - 1: STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATE COMPANIES/JOINT VENTURES

(Pursuant to first proviso to Sub-Section (3) of Section 129 of the Act read with Rule 5 of Companies (Accounts) Rules, 2014)

PART A: SUBSIDIARIES

(₹ in Lakhs)

Name of the Subsidiary Company	Dr. Morepen Limited*	Total Care Limited#	Morepen Inc.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-	-	US\$/₹ 73.53 (As on 31.03.2021)
Share Capital	4,067.95 (4,06,79,500 Equity Shares of ₹10/- each)	933.39 (9,33,390 Equity Shares of ₹100/- each)	22.23 (9,400 Fully paid shares of US\$1 each)
Reserves & Surplus	464.55	(1,851.87)	223.61
Total Assets	7107.77	16.63	315.13
Total Liabilities	7107.77	16.63	315.13
Investments	1171.00	-	-
Turnover	8594.11	12.00	181.89
Profit/(Loss) before taxation	363.27	8.29	54.75
Provision for taxation	136.12	-	6.03
Profit after taxation	227.15	8.29	48.72
Proposed Dividend	-	-	-
Percentage of Shareholding	100%*	95%	100%

* During the year 1,01,69,875 nos. of warrants, at an issue price of ₹30/- (Rupees Thirty Only) per warrant, were allotted to two entities namely Blue Heaven Marketing Private Limited and Vignet Trading Private Limited entitling equivalent number of Equity Shares of ₹10/- per share.

Subsidiary of Dr. Morepen Limited.

PART B: ASSOCIATES & JOINT VENTURES - N.A.

For and on behalf of Board of Directors

Place: New Delhi
Date: 1st September, 2021

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

ANNEXURE 'B'

DETAILS OF REMUNERATION PURSUANT TO SECTION 134(3)(q) AND SECTION 197(12) OF THE ACT READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. Ratio of the remuneration of each Director to the Median remuneration of the employees of the Company;

Name of the Director	Designation	Ratio of Remuneration to Median Remuneration of Employees
Mr. Sushil Suri	Chairman & Managing Director	169.35
Mr. Sanjay Suri	Whole-time Director	119.40
Dr. A.K. Sinha	Whole-time Director	2.83
Ms. Anju Suri	Non-Executive Director	-
Mr. B. R. Wadhwa*	Independent Director	0.93
Mr. Sukhcharan Singh*	Independent Director	0.79
Mr. Manoj Joshi*	Independent Director	1.05
Mr. P.K.Dutt*	Independent Director	0.55
Dr. Savita*	Independent Director	0.47

Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year;

Name of the Director/KMP	Designation	% increase of remuneration in F.Y. 2020-21
Mr. Sushil Suri	Chairman & Managing Director	214.98
Mr. Sanjay Suri	Whole-time Director	470.82**
Dr. A. K. Sinha	Whole-time Director	-
Ms. Anju Suri	Non-Executive Director	-
Mr. B. R. Wadhwa*	Independent Director	(3.28)
Mr. Sukhcharan Singh*	Independent Director	(10.71)
Mr. Manoj Joshi*	Independent Director	(2.90)
Mr. P. K. Dutt*	Independent Director	133.33
Dr. Savita*	Independent Director	-
Mr. Ajay Kumar Sharma	Chief Financial Officer	5.98
Mr. Vipul Kumar Srivastava	Company Secretary	27.75

* These Directors of the Company are paid sitting fees only.

** Annualized increase

B. The percentage increase in the median remuneration of employees in the Financial Year 2020-21 was 12.29%.

C. The number of permanent employees on the rolls of the Company as on March 31, 2021, was 1510.

D. The average percentile increases in the salaries of the employees other than the managerial personnel in the Financial Year 2020-21 was 17.94% while increase in Managerial remuneration was 200.08%.

E. It is hereby affirmed that the remuneration is as per Remuneration Policy of the Company.

For and on behalf of Board of Directors

Place: New Delhi
Date: 1st September, 2021

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028



ANNEXURE 'C'

**(Form No. MR-3)
SECRETARIAL AUDIT REPORT
(FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021)**

[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,
Morepen Laboratories Limited**

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

Based on verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996, as amended, and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and

Takeovers) Regulations, 2011, as amended;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended;

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

- (i) The provisions envisaged in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- (ii) The Secretarial Standards issued by the Institute of the Company Secretaries of India (ICSI).

We further report that:

- (a) The company convened an Extra ordinary General Meeting of the company held on November 5, 2020 to take the consent of members for the issue, on preferential basis, 16,85,00,000 fully convertible warrants of ₹25/- each to be converted into one equity shares of ₹2/- each at a premium of ₹23/- each convertible into shares within 18 months of allotment to persons belonging to promoters' group under Chapter V of the SEBI ICDR Regulations.

- (b) The company in its board meeting held on March 25, 2021 decided to issue, on preferential basis, 3,50,00,000 fully convertible warrants of ₹25/- each to be converted into one equity shares of Rs. 2/- each at a premium of ₹23/- each convertible into shares within 18 months of allotment on receipt of 25% of the issue price to persons belonging to promoters' group under Chapter V of the SEBI ICDR Regulations.

- (c) The company in its board meeting, convened on shorter notice, held on March 26, 2021 decided to issue, on preferential basis, 3,50,00,000 fully convertible warrants of ₹25/- each to be converted into one equity shares of ₹2/- each at a premium of ₹23/- each convertible into shares within 18 months of allotment on receipt of 25% of the issue price to persons belonging to promoters' group under Chapter V of the SEBI ICDR Regulations.

- (d) 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;

The company was required to appoint independent women director under the regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from April 1, 2020 but the company appointed an independent woman director Dr. Savita w.e.f., June 22, 2020 thereby attracted show cause notice and penalty from National Stock Exchange of India and BSE. The company paid the fine under protest, which however was waived off by NSE and BSE.

- (e) adequate notice, is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- (f) all the resolutions have been passed unanimously and did not find any dissenting views in the minutes;
- (g) 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;

- (h) The Company has entered into related party transactions for the sale and purchase of material/products and paying remuneration to related party personnel. The Company confirms that all transactions, including increase in remuneration, are in the ordinary course of business and at arm's length;

- (i) The Company has not paid dividend to preference shareholders for more than two years and hence the preference shareholders are entitled to vote on all the matters in the General Meetings. Preference shareholders allowed to attend the Annual General Meeting held on September 30, 2020 and Extra- ordinary General Meeting held on November 05, 2020 through video conferencing and vote by e voting.

- (j) In the matter of Scheme of Arrangement and Compromise ('the Scheme') U/s. 391 of the Companies Act, 1956, the Hon'ble NCLT, Chandigarh, vide its order dated March 12, 2018 set aside the Scheme in respect of fixed deposit ('FD') holders who were still holding equity shares allotted as per the Scheme, however the operation of aforesaid order was stayed by Hon'ble NCLAT vide its order dated April 27, 2018.

On July 23, 2019, the Hon'ble NCLAT upheld the order passed by Hon'ble NCLT, Chandigarh, inter-alia, cancelled the equity shares (except those who had traded/ transferred) and refund of FD dues as per the CLB Scheme dated 19.08.2003.

The company has sought surrender of aforesaid equity shares by way of individual notice to each eligible FD holders and issued 'Public Notice' in the newspapers i.e., 'Financial Express' - English and 'Jansatta' in the Hindi both published on 15.08.2019, before such cancellation. The company had received 33,54,500 equity shares of ₹2/- each share till March 31, 2021.

Till date 4,953 no. of fixed deposit holders submitted 50,38,983 Equity Shares for cancellation, with the company and provided their bank and identification particulars for payment of their FD dues. All these FD holders were paid their entire FD dues as per terms of Hon'ble NCLT order dated 12.03.2018. The



company has approached the Stock Exchanges for the cancellation of these shares, against which pay-out has been made, in compliance with Hon'ble NCLT order dated 12.03.2018.

The Board of Directors are in view that the company has given sufficient time and opportunity to the eligible shareholders ('FD holders') and decided to conclude the process of surrender of shares and refund of FD dues. The company published notice dated 27th July, 2021 (for publishing on 28th July, 2021) in newspapers for information of all the concerned persons.

- (k) The Company received a direction from central government i.e., Ministry of Corporate Affairs ('MCA') on 30.07.2019 for the appointment of 2 (two) nominee directors on the Board of Directors of the company under Section 480 r/w Section 397/398 of the erstwhile Companies Act, 1956, pursuant to the order passed by the Company Law Board dated 01.07.2005 read-with order passed by Hon'ble High Court of Himachal Pradesh at Shimla dated 16.04.2007 and the order of Hon'ble Supreme Court of India dated 09.07.2019. The Hon'ble court has also given a liberty to the Company to agitate the subsequent events before the concerned forum and conclude the proceeding as far as possible within one year. The Company filed an application before the Hon'ble NCLT, Chandigarh for interim stay on the appointment of nominee directors. The appointment of said nominee directors are yet to be effective and the matter is still pending before the Hon'ble bench of NCLT Chandigarh.

We further report that during the audit period, apart from ordinary business, the company has got the approval of members in the Annual General Meeting of the Company held on September 30, 2020 i.e., increase in the remuneration of Mr. Sushil Suri, Chairman and Managing Director of the Company, increase in the remuneration of Mr. Sanjay Suri as Whole Time Director, a relative of Mr. Sushil Suri and Mrs. Anju Suri, Directors of the Company,

appointment of Independent Woman Director Dr. Savita, ratification of remuneration of M/s. Vijender Sharma & Co., Cost Accountants, Cost Auditors of the Company, amendment of the object clause of Memorandum of Association of the company and adoption of Articles of Association of the company pursuant to the Companies Act, 2013 and fixation of charges for serving of documents to members of the company.

We, further report that redemption of preference shares issued by the company is still pending. The details in respect of said preference shares are as under:

- (i) 7,65,000 0.01% Cumulative Redeemable Preference Shares (CRPS) of ₹100/- each aggregating to ₹7,65,00,000/- due for redemption during the financial year 2017-18;
- (ii) 7,65,000 0.01% Cumulative Redeemable Preference Shares (CRPS) of ₹100/- each aggregating to ₹7,65,00,000/- due for redemption during the financial year 2016-17;
- (iii) 97,35,201 0.01% Optionally Convertible Preference Shares (OCPS) of ₹100/- each aggregating to ₹97,35,20,100/- due for redemption during the financial year 2014-15;
- (iv) 2,00,000 0.01% Cumulative Redeemable Preference Shares (CRPS) of ₹100/- each aggregating to ₹2,00,00,000/- due for redemption during the financial year 2011-12;
- (v) 5,00,000 9.75% Cumulative Redeemable Preference Shares (CRPS) of ₹100/- each aggregating to ₹5,00,00,000/- due for redemption during the financial year 2003-04.

**For PD and Associates
Company Secretaries**

**CS Praveen Dua
Proprietor
FCS No.: 3573
C.P. No.: 2139
UDIN: F003573C000696650**

**Place: New Delhi
Date: 27th July, 2021**

To,
The Members

Morepen Laboratories Limited

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

- 1) Maintenance of the 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 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.

**Place: New Delhi
Date: 27th July, 2021**

- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PD and Associates
Company Secretaries**

**CS Praveen Dua
Proprietor
FCS No.: 3573
C.P. No.: 2139
UDIN: F003573C000696650**



ANNEUXRE 'C-1'

**(Form No. MR-3)
SECRETARIAL AUDIT REPORT
(FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021)**

[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
Dr. Morepen Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dr. Morepen Limited (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 Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 ('Audit Period') 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 March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- Not Applicable
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

- (i) Secretarial Standard on Meetings of the Board of Directors and Secretarial Standard on General Meetings as issued and revised thereof by The Institute of Company Secretaries of India ("ICSI").

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

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

All the resolutions have been passed unanimously

and did not find any dissenting views in 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.

I further report that during the audit period the company has-

- (a) Convened an Extra-Ordinary General Meeting on March 18, 2021 to take the consent of members for (i) increase of authorized share

capital of the company; (b) issue of 1,01,69,875 fully convertible warrants of Rs. 30/- each to be converted into one equity shares of Rs. 10/- each, convertible into shares within 12 months from the date of allotment, on preferential basis.

- (b) In the board meeting held on March 24, 2021 allotted 1,01,69,875 fully convertible warrants of Rs. 30/- each to be converted into one equity shares of Rs. 10/- each convertible into shares within 12 months of allotment on receipt of 25% of the issue price.

**For Aakash Jain & Associates
(Company Secretaries)**

**Aakash Jain
Practicing Company Secretary
Mem. No. F11155
CP No. 21327
UDIN: - F011155C000690273**

**Date: - 27th July, 2021
Place: - New Delhi**

Note :-

1. This report is to be read with my letter of even date which is annexed as 'Annexure' and forms an integral part of this report.
2. We have conducted online verification & examination of records, as facilitated by the Company, due to Covid-19 and subsequent lockdown situation for the purpose of issuing this report.



'ANNEXURE'

To,
The Members,
Dr. Morepen Limited

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

- Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- I 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 test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
- I have not verified the correctness and appropriateness of financial records and Books of

Accounts of the company.

- Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc. Further, my verification to the compliance of the laws specifically to the Company are limited to test check on random basis without going into the detailed technical scrutiny.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My 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 the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Aakash Jain & Associates
(Company Secretaries)**

**Aakash Jain
Practicing Company Secretary
Mem. No. F11155
CP No. 21327
UDIN: - F011155C000690273**

**Date: - 27th July, 2021
Place: - New Delhi**

ANNEXURE 'D'

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDING ON 31ST MARCH, 2021

1. Brief outline on CSR Policy of the Company.

As per the provisions of the Companies Act, 2013 and rules framed thereunder, the Company has formulated its CSR Policy in accordance with Section 135 of the Companies Act, 2013 and rules made thereunder with the vision to actively contribute to promotion of healthcare including preventive healthcare, spreading education, ensuring environmental sustainability, rural developments, ecological balance, protection of flora and fauna, conservation of natural resources and maintaining quality of soil, air and water etc.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sushil Suri	Executive Director (Chairman)	3	3
2	Mr. Manoj Joshi	Independent Director (Member)	3	2
3	Mr. B. R. Wadhwa	Independent Director (Member)	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

Composition of CSR committee: <https://www.morepen.com/aboutus>

CSR Policy: <https://www.morepen.com/public/img/pdf/Corporate-Social-Responsibility-Policy.pdf>

CSR projects approved by the board for FY 2021: <https://www.morepen.com/investors>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

The Company has spent more than the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off. The year wise details is as under -

Sl. No.	Financial Year	Amount available for set-off from preceding financial year (Rs. in Lakh)	Amount required to be set-off for the financial year, if any (Rs. in Lakh)
1	2019-2020	5.62	Nil
2	2018-2019	1.91	Nil
3	2017-2018	0.16	Nil
	Total	7.69	Nil

6. Average net profit of the company as per section 135(5): Rs. 3226.71 Lakh.

7. (a) Two percent of average net profit of the Company as per section 135(5): Rs. 64.53 Lakh.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:
Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c): Rs. 64.53 Lakh.



8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in Lakh)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
65.02	Not Applicable		Not Applicable		

(b) Details of CSR amount spent against ongoing projects of the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (in Rs.)	Amount Spent in the current financial year (in Rs.)	Amount transferred to unspent CSR account for the project as per Section 135((6) (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of Implementation-Through Implementing Agency	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
				State	District					Name	CSR Registration Number	
Not Applicable												

(c) Details of CSR amount spent against other than ongoing project for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project		Amount Spent for the Project (₹ in lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
				State	District			Name	CSR Registration Number
1.	Financial assistance to under privileged Women, Healthcare & sanitation, Rural Transfor- mation	Women Empowerment; Ensuring environmental sustainability, ecological balance/ healthcare & sanitation; Rural development projects	Yes	Himachal Pradesh	Distt. Solan	20.12	No	K.B. Suri Memorial Trust	N O T A P P L I C A B L E
2.	Health care	Promoting healthcare including preventive healthcare	No	Jammu & Kashmir (UT)	Distt. Reasi	42.90	No	K.B. Suri Memorial Trust	
3.	Education	Promoting education	No	New Delhi	South West Delhi	2.00	No	Sri Aurobindo Ashram - Delhi Branch Trust	

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹65.02 Lakh.



(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (Rs. in lakh)
(i)	Two percent of average net profit of the company as per section 135(5).	64.53
(ii)	Total amount spent for the Financial Year	65.02
(iii)	Excess amount spent for the Financial Year [(ii)-(i)].	0.49
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	-
(v)	Amount available for set off in succeeding financial year [(iii) - (iv)].	0.49

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR account under section 135(6) (In Rs.)	Amount spent in the reporting financial year (In Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial year (In Rs.)
				Name of the Fund	Amount (In Rs.)	Date of Transfer	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of the project	Financial year in which the project was commenced	Project Duration	Total amount allocated for the project (In Rs.)	Amount spent on the project in the reporting financial year (In Rs.)	Cumulative amount spent at the end of reporting financial year (In Rs.)	Status of the project - completed/ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

Not Applicable.

11. Specify the reason(s) if the Company has failed to spend two percent of the average net profit as per Section 135(5):

Not Applicable.

For Morepen Laboratories Limited

Sushil Suri
(Chairman & Managing Director)
(Chairman - CSR Committee)
DIN: 00012028

Place: New Delhi
Date: 1st September, 2021

ANNEXURE 'E'

**Form MGT-9: Extract of Annual Return
as on Financial Year Ended 31st March, 2021**

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	: L24231HP1984PLC006028
ii) Registration Date	: 01/12/1984
iii) Name of the Company	: MOREPEN LABORATORIES LIMITED
iv) Category / Sub-Category of the Company	: Public Company / Limited by Shares
v) Address of the Registered office and contact details	: Morepen Village, Malkumajra, Nalagarh Road, Baddi, Distt. Solan, Himachal Pradesh - 173 205 Tel No.: +91-01795-276201-03 Fax No.: +91-01795-276204 Email id: investors@morepen.com
vi) Whether listed Company	: Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: MAS Services Limited T-34, 2 nd Floor, Okhla Industrial Area, Phase-II, New Delhi - 110020 Tel No.: +91-11-2638 7281/82/83 Fax No.: +91-11-26387384 Email id: info@masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:

Name and Description of main Products/Services	NIC Code of the Product/Services	% to Total Turnover of the Company
Pharmaceuticals	21001 and 21002	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of Shares held	Applicable Section
1.	Dr. Morepen Limited* 220, Antriksh Bhawan, 22, K.G. Marg, New Delhi-110 001	U24232DL2001PLC111636	Subsidiary	100	2 (87)
2.	Total Care Limited* 220, 2 nd Floor, Antriksh Bhawan, 22, K.G. Marg, New Delhi-110 001	U24246DL2000PLC105296	Subsidiary	95	2 (87)
3.	Morepen Inc. 666, Plainsboro Road, Suite 215, Plainsboro, NJ 08536, United States of America (USA)	-	Subsidiary	100	2 (87)

*The registered office address changed to 409, Antriksh Bhawan, 22, K.G. Marg, New Delhi-110 001 w.e.f. 21st June, 2021


IV. SHARE HOLDING 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 the year [As on April 01, 2020]			No. of Shares held at the end of the year [As on March 31, 2021]			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
a) Individual/ HUF	4,12,41,750	-	4,12,41,750	4,12,41,750	-	4,12,41,750	9.17
b) Central Govt.	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-
d) Bodies Corp.	11,41,29,838	-	11,41,29,838	11,41,29,838	-	11,41,29,838	25.37
e) Banks / FI	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-
Sub-total (A)(1):	15,53,71,588	-	15,53,71,588	15,53,71,588	-	15,53,71,588	34.54
(2) Foreign							
a) NRIs-Individuals	-	-	-	-	-	-	-
b) Others- Individuals	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-
d) Banks/FI's	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-
Total shareholding of Promoters(A)=(A)(1)+(A)(2)	15,53,71,588	-	15,53,71,588	15,53,71,588	-	15,53,71,588	34.54
B. Public Shareholding							
(1) Institutions							
a) Mutual Funds	-	-	-	-	-	-	-
b) Banks / FI's	16,04,794	3,12,500	19,17,294	8,26,425	-	8,26,425	0.18 (0.24)
c) Central Govt.	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-
f) Insurance Companies	2,15,79,754	85,125	2,16,64,879	1,20,67,493	85,125	1,21,52,618	2.70 (2.12)

g) FII's	-	3,85,30,000	3,85,30,000	-	-	-	-	(8.57)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
i) Others (FPI's)	33,47,894	-	33,47,894	30,77,820	-	30,77,820	0.68 (0.06)	
Sub-total (B)(1):	2,65,32,442	3,89,27,625	6,54,60,067	1,59,71,738	85,125	1,60,56,863	3.57 (10.99)	
(2) Non-Institutions								
a) Bodies Corp.	1,64,36,981	6,37,221	1,70,74,202	7,46,20,832	6,34,829	7,52,55,661	16.73 12.93	
b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh								
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	11,99,15,765	2,85,18,487	14,84,34,252	12,65,63,178	2,80,83,867	15,46,47,045	34.38 1.38	
c) Any Other	3,62,22,561	99,382	3,63,21,943	3,85,53,113	99,382	3,86,52,495	8.59 0.52	
i) Non-Resident Indian/OCB	2,56,01,637	1,657	2,56,03,294	51,87,669	2,356	51,90,025	1.16 (4.53)	
ii) Clearing Member	15,50,776	-	15,50,776	46,50,937	-	46,50,937	1.03 0.69	
iii) Trust	10,081	-	10,081	1,589	-	1,589	0.00 0.00	
iv) NBFC	-	-	-	-	-	-	-	-
Sub-total (B)(2):	19,97,37,801	2,92,56,747	22,89,94,548	24,95,77,318	2,88,20,434	27,83,97,752	61.89 10.99	
Total Public Shareholding (B)= (B)(1)+(B)(2)	22,62,70,243	6,81,84,372	29,44,54,615	26,55,49,056	2,89,05,559	29,44,54,615	65.46	0.00
C. Shares held by Custodian for GDRs & ADRs								
Grand Total (A+B+C)	38,16,41,831	6,81,84,372	44,98,26,203	42,09,20,644	2,89,05,559	44,98,26,203	100.00	0.00



ii) Shareholding of Promoters:

S. No.	Shareholder's Name	At the beginning of the year			At the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Baby Aakriti Suri	55,000	0.01	-	55,000	0.01	-	0.00
2.	Gulfy Suri	11,50,000	0.26	-	11,50,000	0.26	-	0.00
3.	Rajas Suri	1,55,000	0.03	-	1,55,000	0.03	-	0.00
4.	Anju Suri	51,86,369	1.15	-	51,86,369	1.15	-	0.00
5.	PL. Suri	4,00,000	0.09	-	4,00,000	0.09	-	0.00
6.	Sara Suri	7,05,000	0.16	-	7,05,000	0.16	-	0.00
7.	Master Arjun Suri	6,97,060	0.15	-	6,97,060	0.15	-	0.00
8.	Kanta Suri	1,510	0.00	-	1,510	0.00	-	0.00
9.	Sushil Suri & Sons (HUF)	12,01,560	0.27	-	12,01,560	0.27	-	0.00
10.	Praduman Lal Suri (HUF)	2,990	0.00	-	2,990	0.00	-	0.00
11.	Aanandi Suri	7,50,000	0.17	-	7,50,000	0.17	-	0.00
12.	Arun Suri & Sons (HUF)	15,00,000	0.33	-	15,00,000	0.33	-	0.00
13.	Arun Suri	3,510	0.00	-	3,510	0.00	-	0.00
14.	Sanjay Suri	34,17,240	0.76	-	34,17,240	0.76	-	0.00
15.	Varun Suri	30,52,357	0.68	-	30,52,357	0.68	-	0.00
16.	Anubhav Suri	7,82,134	0.17	-	7,82,134	0.17	-	0.00
17.	Aanchal Suri	6,85,922	0.15	-	6,85,922	0.15	-	0.00
18.	Baby Kanak Suri	9,97,060	0.22	-	9,97,060	0.22	-	0.00
19.	Sushil Suri	55,01,510	1.22	-	55,01,510	1.22	-	0.00
20.	K B Suri & Sons (HUF)	9,72,830	0.22	-	9,72,830	0.22	-	0.0
21.	Shalu Suri	20,52,250	0.46	-	20,52,250	0.46	-	0.00
22.	Sonia Suri	36,79,718	0.82	-	36,79,718	0.82	-	0.00
23.	Mamta Suri	30,04,000	0.67	-	30,04,000	0.67	-	0.00
24.	Sunita Suri	31,88,730	0.71	-	31,88,730	0.71	-	0.00
25.	Sanjay Suri Sons (HUF)	21,00,000	0.47	-	21,00,000	0.47	-	0.00
26.	React Investments & Financial Services Private Limited	1,14,42,134	2.54	-	1,14,42,134	2.54	-	0.00
27.	Liquid Holdings Private Limited	3,000	0.00	-	3,000	0.00	-	0.00
28.	Epitome Holding Private Limited	1,10,00,820	2.45	-	1,10,00,820	2.45	-	0.00
29.	Concept Credits & Consultants Private Limited	1,18,47,724	2.63	-	1,18,47,724	2.63	-	0.00
30.	Square Investments & Financial Services Private Limited	1,06,02,075	2.36	-	1,06,02,075	2.36	-	0.00
31.	Solitary Investments & Financial Services Private Limited	1,16,14,045	2.58	-	1,16,14,045	2.58	-	0.00
32.	Solace Investments & Financial Services Private Limited	1,15,82,790	2.57	-	1,15,82,790	2.57	-	0.00
33.	Brook Investments & Financial Services Private Limited	1,16,59,252	2.59	-	1,16,59,252	2.59	-	0.00
34.	Scope Credits & Financial Services Private Limited	1,20,75,405	2.68	-	1,20,75,405	2.68	-	0.00
35.	Mid-Med Financial Services & Investments Private Limited	1,14,73,813	2.55	-	1,14,73,813	2.55	-	0.00
36.	Seed Securities & Services Private Limited	1,08,28,780	2.41	-	1,08,28,780	2.41	-	0.00
	TOTAL	15,53,71,588	34.54	-	15,53,71,588	34.54	-	0.00

iii) Change in Promoters' Shareholding (Please specify, if there is no change):

S. No.	Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	15,53,71,588	34.54	15,53,71,588	34.54
	Increase/(Decrease) in Promoters Shareholding during the year	-	-	-	-
	At the end of the year	15,53,71,588	34.54	15,53,71,588	34.54

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

S. No.	Top ten shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	PINFOLD OVERSEAS LIMITED At the beginning of the year	3,85,30,000	8.57		
	Increase/(Decrease) in Shareholding during the year	-	-	-	-
	At the end of the year	3,85,30,000	8.57	3,85,30,000	8.57
2	FERRY HOLDINGS LIMITED At the beginning of the year	2,00,00,000	4.45		
	Increase/(Decrease) in Shareholding during the year	-	-	-	-
	At the end of the year	2,00,00,000	4.45	2,00,00,000	4.45
4	DAMODAR PRASAD AGARWAL At the beginning of the year	69,69,255	1.55		
	Increase/(Decrease) in Shareholding during the year				
	10/04/2020	(2,30,000)	(0.05)	67,39,255	1.50
	17/04/2020	1,54,000	0.03	68,93,255	1.53
	24/04/2020	4,729	0.00	68,97,984	1.53
	15/05/2020	12,924	0.00	69,10,908	1.54
	05/06/2020	5,910	0.00	69,16,818	1.54
	26/06/2020	20,000	0.00	69,36,818	1.54
	03/07/2020	10,000	0.00	69,46,818	1.54
	21/08/2020	45,000	0.01	69,91,818	1.55
	11/09/2020	80,000	0.02	70,71,818	1.57
	18/09/2020	38,518	0.01	71,10,336	1.58
	30/09/2020	(10,000)	(0.00)	71,00,336	1.58
	09/10/2020	(30,000)	(0.01)	70,70,336	1.57
	16/10/2020	40,000	0.01	71,10,336	1.58
	13/11/2020	40,000	0.01	71,50,336	1.59
	31/12/2020	(3,000)	(0.00)	71,47,336	1.59
	08/01/2021	63,000	0.01	72,10,336	1.60
	22/01/2021	40,000	0.01	72,50,336	1.61
	05/03/2021	44,930	0.01	72,95,266	1.62



	12/03/2021	1,501	0.00	72,96,767	1.62
	26/03/2021	(10,000)	(0.00)	72,86,767	1.62
	At the end of the year	72,86,767	1.62	72,86,767	1.62
5	UNITED INDIA INSURANCE COMPANY LIMITED				
	At the beginning of the year	41,56,275	0.92		
	Increase/(Decrease) in Shareholding during the year	-	-	-	-
	At the end of the year	41,56,275	0.92	41,56,275	0.92
6	GENERAL INSURANCE CORPORATION OF INDIA				
	At the beginning of the year	35,66,869	0.79		
	Increase/(Decrease) in Shareholding during the year	-	-	-	-
	At the end of the year	35,66,869	0.79	35,66,869	0.79
7	BAYSWATER ENTERPRISES LIMITED				
	At the beginning of the year	29,04,000	0.65		
	Increase/(Decrease) in Shareholding during the year	-	-	-	-
	At the end of the year	29,04,000	0.65	29,04,000	0.65
8	LIFE INSURANCE CORPORATION OF INDIA				
	At the beginning of the year	76,11,574	1.69		
	Increase/(Decrease) in Shareholding during the year				
	08/01/2021	(10,00,000)	(0.22)	66,11,574	1.47
	15/01/2021	(10,70,317)	(0.24)	55,41,257	1.23
	22/01/2021	(3,00,000)	(0.06)	52,41,257	1.17
	19/02/2021	(72,788)	(0.02)	51,68,469	1.15
	12/03/2021	(24,39,656)	(0.54)	27,28,813	0.61
	At the end of the year	27,28,813	0.61	27,28,813	0.61
9	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSION GROUP INC (DFAIDG)				
	At the beginning of the year	18,96,828	0.42		
	Increase/(Decrease) in Shareholding during the year				
	09/10/2020	(48,487)	(0.01)	18,48,341	0.41
	23/10/2020	(33,877)	(0.01)	18,14,464	0.40
	20/11/2020	(39,493)	(0.01)	17,74,971	0.39
	12/03/2021	(18,851)	(0.00)	17,56,120	0.39
	At the end of the year	17,56,120	0.39	17,56,120	0.39

10	ABHINANDAN STOCK BROKING PRIVATE LIMITED				
	At the beginning of the year	20,000	0.00		
	Increase/(Decrease) in Shareholding during the year				
	26/06/2020	27,400	0.01	47,400	0.01
	09/10/2020	(47,300)	(0.01)	100	0.00
	16/10/2020	3,60,111	0.08	3,60,211	0.08
	13/11/2020	49,789	0.01	4,10,000	0.09
	27/11/2020	(63,019)	(0.01)	3,46,981	0.08
	04/12/2020	(3,000)	(0.00)	3,43,981	0.08
	11/12/2020	(4,100)	(0.00)	3,39,881	0.08
	18/12/2020	58,000	0.01	3,97,881	0.09
	25/12/2020	(1,15,000)	(0.03)	2,82,881	0.06
	31/12/2020	(4,000)	(0.00)	2,78,881	0.06
	01/01/2021	(62,000)	(0.01)	2,16,881	0.05
	08/01/2021	(1,12,881)	(0.03)	1,04,000	0.02
	15/01/2021	(90,000)	(0.02)	14,000	0.00
	12/02/2021	(9,000)	(0.00)	5,000	0.00
	12/03/2021	7,85,000	0.17	7,90,000	0.18
	19/03/2021	7,30,000	0.16	15,20,000	0.34
	26/03/2021	(20,000)	(0.00)	15,00,000	0.33
	At the end of the year	15,00,000	0.33	15,00,000	0.33

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Director(s) & KMP(s)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	MR. SUSHIL SURI Chairman & Managing Director				
	At the beginning of the year	55,01,510	1.22		
	Increase/(Decrease) in Shareholding during the year	-	-	-	-
	At the end of the year	55,01,510	1.22	55,01,510	1.22
2.	MR. SANJAY SURI Whole-time Director				
	At the beginning of the year	34,17,240	0.76		
	Increase/(Decrease) in Shareholding during the year	-	-	-	-
	At the end of the year	34,17,240	0.76	34,17,240	0.76
3.	DR. A. K. SINHA Whole-time Director				
	At the beginning of the year	100	0.00		
	Increase/(Decrease) in Shareholding during the year	-	-	-	-
	At the end of the year	100	0.00	100	0.00



4. MR. MANOJ JOSHI Independent Director				
At the beginning of the year	-	-	-	-
Increase/(Decrease) in Shareholding during the year	-	-	-	-
At the end of the year	-	-	-	-
5. MR. SUKHCHARAN SINGH Independent Director				
At the beginning of the year	-	-	-	-
Increase/(Decrease) in Shareholding during the year	-	-	-	-
At the end of the year	-	-	-	-
6. MR. B. R. WADHWA Independent Director				
At the beginning of the year	-	-	-	-
Increase/(Decrease) in Shareholding during the year	-	-	-	-
At the end of the year	-	-	-	-
7. MR. P. K. DUTT Independent Director				
At the beginning of the year	-	-	-	-
Increase/(Decrease) in Shareholding during the year	-	-	-	-
At the end of the year	-	-	-	-
8. DR. SAVITA Independent Director				
At the beginning of the year	-	-	-	-
Increase/(Decrease) in Shareholding during the year	-	-	-	-
At the end of the year	-	-	-	-
9. MRS. ANJU SURI Non-Executive Director				
At the beginning of the year	51,86,369	1.15	-	-
Increase/(Decrease) in Shareholding during the year	-	-	-	-
At the end of the year	51,86,369	1.15	51,86,369	1.15
10. MR. AJAY KUMAR SHARMA Chief Financial Officer				
At the beginning of the year	-	-	-	-
Increase/(Decrease) in Shareholding during the year	-	-	-	-
At the end of the year	-	-	-	-
11. MR. VIPUL KUMAR SRIVASTAVA Company Secretary				
At the beginning of the year	-	-	-	-
Increase/(Decrease) in Shareholding during the year	-	-	-	-
At the end of the year	-	-	-	-

V. INDEBTEDNESS

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

(₹ in Lakhs)

Particulars	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,333.14	11,965.20	-	13,298.34
ii) Interest due but not paid	-	930.24	-	930.24
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,333.14	12,895.44		14,228.58
Change in Indebtedness during the financial year				
* Addition	477.82	48.92	-	526.74
* Reduction	106.39	-	-	106.39
Net Change	371.43	48.92		420.35
Indebtedness at the end of the financial year				
i) Principal Amount	1704.57	11965.20	-	13,669.77
ii) Interest due but not paid	-	979.16	-	979.16
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,704.57	12,944.36		14,648.93

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Sushil Suri Chairman & Managing Director	Mr. Sanjay Suri Whole-time Director	Dr. A. K. Sinha Whole-time Director	
1.	Gross salary				
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	508.98	355.69	9.00	873.67
	b) Value of perquisites under Section 17(2) Income-tax Act, 1961	29.54	24.00	-	53.54
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
	2. Stock Option	-	-	-	-
	3. Sweat Equity	-	-	-	-
	4. Commission - as % of profit - others, specify	-	-	-	-
	5. Others, please specify	-	-	-	-
	Total (A)	538.52	379.69	9.00	927.21
	Ceiling as per the Act**				1,018.22

**The Company has obtained the approval of members in form of 'Special Resolution' in Annual General Meeting held in year 2020, pursuant to Section 196, 197 read-with Schedule V of the Companies Act, 2013 and its rules made thereunder, as amended.



B. Remuneration to other Directors:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Manoj Joshi	Mr. Sukhcharan Singh	Mr. B. R. Wadhwa	Mr. P. K. Dutt	Dr. Savita	
1.	Independent Directors						
	• Fee for attending board committee meetings	3.35	2.50	2.95	1.75	1.50	10.05
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (1)	3.35	2.50	2.95	1.75	1.50	10.05
2.	Other Non-Executive Directors						
	• Fee for attending board committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	3.35	2.50	2.95	1.75	1.50	12.05
	Total Managerial Remuneration (A + B)						939.26
	Overall Ceiling as per the Act						1,120.04

* Mrs. Anju Suri being a Non-Executive Non-Independent Director of the Company, has not paid any remuneration.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: (₹ in Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Ajay Kumar Sharma (Chief Financial Officer)	Mr. Vipul Kumar Srivastava (Company Secretary)	
1.	Gross salary			
a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	98.02	18.44	116.46
b)	Value of perquisites under Section 17(2) Income-tax Act, 1961	-	-	-
c)	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	98.02	18.44	116.46

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences during the year ended March 31, 2021.

For and on behalf of Board of Directors

Place: New Delhi
Date: 1st September, 2021

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

ANNEXURE 'F'
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Information under Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended 31st March, 2021]

A. CONSERVATION OF ENERGY

1) Energy Conservation measures taken

- Installed energy efficient power transformers as per IS1180 in place of IS2026 Bureau of Indian Standards. The losses from power transformer have been reduced by 55%.
- Replacement of older DG sets with high efficiency DG set with latest fuel injection system resulted in 4% less fuel for power generation.
- Started the step wise Replacement of IE2 motors with IE3 motors.
- Feed water temperature of boiler increased by 6 degrees Celsius resulting in 1% lower fuel consumption in the boiler.
- Hot water generation system installed with recovery of condensate water and direct steam injection in the tanks is replaced with the above system.
- Automation has been incorporated in the some of the utilities and plant equipments.
- Conversions of Solvent recovery plant distillation kettle from natural connection to forced convection resulted in better heat transfer coefficient.
- Replacement of Worm reduction gearboxes with Helical Gearboxes.

2) Impact of measures taken:

- Reduction in power consumption by 5%/kg of productivity.
- Reduction in fuel consumption by 4%/kg of productivity.
- Reduction in our overall energy bill, power & fuel by around 4%/kg of productivity.
- Reduction in solvent consumption by around 3%.
- Reduction in time cycle by around 14%.

3) Steps taken for utilizing alternate source of energy:

- Started installing Solar streetlights.
- Evaluating running of boiler from solvents recovered from our Waste effluent by stripping process.

- Evaluating alternate method for distillation of solvents with membrane technology it will reduce energy consumption, carbon footprint and Sulphur emission.
- Evaluating to install complete automation in production facility will reduce heat losses and optimize the process.
- Evaluating to install energy efficient MVR based evaporator in place of conventional Multiple effect evaporator. It will reduce boiler fuel consumption/carbon footprint and sulphur emission.

4) Capital investment on energy conservation equipment:

The Capital investment on energy conservation equipment made during the year is at Rs. 250.00 Lakhs.

B. TECHNOLOGY ABSORPTION (R&D)

1) Efforts made towards technology absorption:

The company strives to carry out latest process available for the manufacture of its APIs and Formulations product portfolio. It invests on Research and Development (R&D) fields so as to be quality player in its areas of operations both for regulated and unregulated markets. The efforts and capital put in R&D activities have helped the company for the development of robust and safe processes, availability of formulations at affordable cost, development of economic processes for synthesis of new APIs and improving processes for existing APIs and formulation products. The key areas and efforts made towards development/improvements of technologies of various APIs are as under:

- For the scaling up of technology for anti-diabetics, Sitagliptin Phosphate Anhydrous, its EDMF & USDMF were filed.
- In respect of scaling up of technology for anti-diabetics, Saxagliptin HCl Dihydrate, its EDMF & USDMF were filed.
- The CEP was granted by EDQM for anti-diabetics, Sitagliptin Phosphate Monohydrate.
- The DMF was filed & DMF number was granted in China for anti-diabetics, Empagliflozin.



- Scale up of Amorphous Dapagliflozin in Anti-diabetic category was completed. Validation of Amorphous Dapagliflozin is planned for its USDMF filing.
- Under anti-diabetic category, the commercialization of Linagliptin Form C was done. Its USDMF/ CNDMF filing are also being planned.
- Cost-effective enzymatic process using green chemistry are being further explored for Rosuvastatin/Atorvastatin & Sitagliptin.
- Commercialization of Rivaroxaban in Anti-Coagulant category was done followed by its process validation. Its USDMF & CEP filing are planned for the current year.
- Commercialization of Apixaban in Anti-Coagulant category was done followed by its process validation. Its USDMF has been filed. Further USDMF is planned to be filed for its another polymorph, Apixaban Form H3 and Amorphous Form during current year.
- Development & Transfer of Technology of Ertugliflozin L-Pyroglytamate in Anti-diabetic category to plant. Its scale up and process validation is planned for current year.
- Development of Technology for Hydroxychloroquine in Anti-Malarial category, Hydrochlorothiazide in Diuretics category and Amlodipine besylate in Anti-Hypertensive category, were completed.
- Development & Transfer of Technology of cost-effective route of Canagliflozin Hemihydrate and Alogliptin of Anti-diabetic category to plant.
- Commercialization of Edoxaban Tosylate Monohydrate in Anti-Coagulant category completed. Further USDMF is also planned.
- Development & Transfer of Technology of Febuxostat in Anti-Gout category to plant. Its validation is planned for the current year.
- Development of Improved Chemical Entities/ Novel chemical Entities (NCE) is under progress in collaboration with NIPER Mohali. The Molecular docking studies for several lead molecules is in progress.

New Formulations Developed and commercialized in different therapeutic categories

- Hand Sanitizers (IPA 70% gel based), Hand Sanitizer (Chlorhexidine gluconate, 2.5%, Ethanol 70%), Hand Sanitizer (Ethyl alcohol 70% gel based), Hand Sanitizer (Chlorhexidine gluconate 0.3%, Cetrimide 0.6%) Solution under Sanitizers & Disinfectant category during COVID pandemic.
- Gabapentene 100 mg (FC) Tablets under neuronal disorder segment.
- HCQ (Hydroxychloroquine 200 mg (FC) tablets under developed & commercialized Antimalarial & COVID 19 treatment.
- Doxofylline 400 mg (UC) tablets developed & commercialized under Antiasthmatic category.
- Calciquick K27 (FC) Tablets developed & commercialized under dietary supplement category.
- Cilnidipine film coated tablets 10 mg developed & commercialized under antihypertensive category.
- Levetiracetam tablets 500 & 750 mg film coated, developed & commercialized under antipsychotic category.
- Cough-X DX Syrup (Phenylephrine 5+ Dextromethorphan 15+ Chlorpheniramine 2 mg (Syrup) developed and commercialized under cold & cough category.
- D- Quatro Drop 60000 IU developed & commercialized under vitamin supplement.
- Dapagliflozin 5 & 10 mg Film coated tablets developed & commercialized under antidiabetic category.
- Rivaroxaban 10 & 20 mg developed & commercialized under cardiac segments.
- Ursodeoxycholic Acid 600 mg film coated tablets developed & commercialized under Liver dysfunction category.
- Nebivolol 5 mg tablets developed & commercialized under Antihypertensive category.

- Tenzigliptin 20 mg Filmcoated tablets developed & commercialized under antidiabetic category.
- Linezolid 100 mg/5 ml developed & commercialized under antibacterial category.
- Tenzigliptin 20 & Metformin 500 mg tablets under antidiabetic category. Atorvastatin tablets 5 mg under antidiabetic category.

Development under progress:

- Tofacitinib 5 mg Tablets -antirheumatic & immunosuppressant category.
- Oseltamivir capsules 75 mg under antiviral segment.
- Silodosin capsules 8 mg under prostatic hypertrophy agent.
- Ranolazine ER tablets 500/1000 mg under cardiac segment.
- Mycophenolate mofetil 500 mg tablets under immunosuppressant category. Mycophenolate sodium 180/360 mg tablets under immunosuppressant category. Sirolimus 1/2mg tablets under immunosuppressant category.
- Torsemide 5/10/20 mg tablet under Diuretic category.
- Fimasartan 30/60/120 mg tablets under antihypertensive category.
- Brivaracetam 50/75/100 mg tab under antiepileptic category.
- Prucalopride 1/2mg Tab under chronic idiopathic constipation. Oxcarbazepine 150/300/450/600 mg Tab under anticonvulsant category.
- Dabigatran Mesylate capsules 75/110/150 mg under cardiac segment. Montelukast+ Desloratadine Syrup (First time in INDIA, Patent has filed in India).
- Gabapentin 400 + Nortriptyline 10 mg Tab under anticonvulsant category.
- Trypsin 48 + Bromelain 90 + Rutoside Trihydrate 100 + diclofenac Sodium 50 mg Tab Under anti-inflammatory & pain management.
- Aspirin 75 + Clopidogrel 150 mg Bilayered tablets- Under Cardiac segment.
- Oxcarbazepine 300 mg Oral Suspension under anticonvulsant category.

- Methyl cobalamin 1500 mcg + Alpha Lipoic Acid 100 mg +
- Vitamin D3 1000IU + Pyridoxine HCl 3 mg + Folic Acid 1.5 mg tabs under dietary supplements.
- Milk of Magnesia 3.75 ml + Liquid Paraffin 1.25 ml Sodium Picosulfate suspension under antacid category.
- Bilastine 20 mg Tab under antihistaminic/antiallergic category.
- Montelukast 10 mg + Bilastine 20 mg Tab under antihistaminic/antiallergic category.
- Telmisartan 80 mg + Amlodipine 5 mg bilayered tablets-under hypertensive segment.
- Saroglitazar 2/4 mg tablets a novel antidiabetic formulation under antidiabetic category.
- Saxagliptin 2.5/5 mg tablet under antidiabetic category. Saxagliptin 2.5/5 + Metformin 500/1000 mg tablets under antidiabetic category.
- Dapagliflozin 5/10 mg + Metformin 500/1000 mg Film coated tablets antidiabetic category.
- Azithromycin dry syrup 200 mg/5 ml under antibiotic category.
- Aspirin 75 (Tabs) + Atorvastatin 10 mg (blend) in capsules under cardiac segment. Montelukast 10 mg + Doxofylline 400 mg ER tablets under Anti-asthmatic category.

2) Benefits derived as a result of Research and Development (R&D) activities:

Over the years, the company is working continuously to improve its processes to deliver better quality products at affordable price for its business segments comprising of API business, finished dosages business and OTC business.

The benefits derived because of the above efforts including new product development, product improvement, cost reduction, greener technologies and import substitution etc. are detailed hereunder:

- Indian patent application entitled "Process for purification of Fexofenadine Intermediates" was granted by Indian Patent office as IN351665.
- PCT National phase application of Rosuvastatin Calcium of new polymorph



patent, which was granted in US as US 10,626,093, is in advanced stages in Europe.

- Rosuvastatin Calcium Patent entitled "Novel polymorphic forms of Sitagliptin phosphate and processes thereof" is likely to be granted by Indian Patent Office soon as all necessary communication is done.
- Indian Patent (Complete Specification) titled "Process for the preparation of Rupatadine Fumarate Form A" was filed as IN201911020274.
- Indian Patent application titled "Novel processes for Crystalline Empagliflozin" was filed as IN202011022352.
- Indian Patent application titled "Improved Processes for removal of Linagliptin Dimer Impurity" was filed as IN202011032689.
- Indian Patent application titled "Preparation of Amorphous Apixaban by Spray Drying" was filed as IN202011050699.
- Indian Patent application titled "Preparation of Amorphous Linagliptin by Spray Drying" was filed as IN202111000551.
- Indian Patent application titled "Preparation of Amorphous Empagliflozin by Spray Drying" was filed as IN202111000552.
- Indian Patent application titled "Preparation of Amorphous Edoxaban Tosylate by Spray Drying" was filed as IN202111001192.
- Indian Patent application titled "New polymorphic form of vortioxetine Hydrobromide & novel processes thereof" was filed as IN202111007325.
- Indian Patent application titled "Improved Processes for the preparation as well as purification of Brexpiprazole & Acid Salts thereof" was filed as IN202111010850.
- Indian Patent application titled "Novel amine salts of Saroglitazar, Processes thereof & Novel process for preparation of Amorphous Saroglitazar" was filed as IN202111012212.
- Indian Patent application titled "An improved, eco-friendly & commercially viable process for the preparation of a key intermediate of atorvastatin calcium" was filed as IN202111017012.
- Indian Patent (Complete Specification) titled "Process for Purification of Apixaban" was filed as IN201911042344.
- Indian Patent (Complete Specification) titled "Novel processes for the preparation of polymorphic form H3 of Apixaban" was filed as IN202011000968.
- Indian Patent (Complete Specification) titled "Improved Process for the Preparation Ertugliflozin L-Pyroglytamate and its Intermediates" was filed as IN202011001308.
- Indian Patent (Complete specification) titled "Improved Processes for the Preparation of Edoxaban Tosylate and its Intermediates" was filed as IN202011009865.
- Indian Patent (Complete specification) titled "Improved Processes for the preparation as well as purification of Vortioxetine Hydrobromide and New Polymorphs thereof" was filed as IN 202011009866.
- New Products developed & launched with high market potential including Hydroxychloroquine tablets & various Hand Sanitizers in Covid Pandemic situation served country in worst situation.
- 20 New products with High market potential launched with various therapeutic category in the market.
- Robust formulation development & commercial with improved Quality of pharmaceutical products via mandatory stability studies of drug product at Formulation Development stage to bring down market complaints to Zero level with high acceptance in market.
- Process changes from critical to simplified i.e., by-passing drying process through DC (direct compression process) saving time leading to reduced cost of products.
- Cost reduction in different formulations by reducing tablet weight via excipient qty & Grades, solvents replacement with water in manufacturing process, without affecting the quality parameters ensured by Accelerated stability studies, such as: Rosuvastatin 10/20/40 mg Tablets, Pantoprazole 40 mg DR tablet, Etoricoxib 60,90,120 mg tablets, Loratadine tablets 10 mg, Telmisartan 40 mg+Hydrochlorothiazide 12.5 Bilayer tablets, Telmisartan 40 mg + Hydrochlorothiazide 12.5+ Amlodipine 5 mg bilayered tablets, Bisacodyl GR tablets 5 mg,

Pioglitazone 15/30 mg, Ramipril 2.5 & 5 mg, Azithromycin 250/500 tablets, Clopidogrel 75 mg tablets, Ofloxacin 200 mg, Montelukast 10 mg tablet, Sertaline 50 mg tablet cost reduction through above mentioned processes.

3) Future plan of action:

The company continues to carry on various R&D initiatives and is regularly upgrades its capabilities to stay ahead of the demanding market requirements. The R&D work is focused on:

- New drugs like Levothyroxine Sodium in Hormonal replacement therapy, Apremilast in Psoriatic arthritis Category, Enzalutamide in Anti-Cancer Category, Bempedoic Acid in Anti-Lipemic category, Upadacitinib & Baricitinib for Rheumatoid Arthritis Category, Tafamidis Meglumine in Cardiovascular Category, are being considered for development.
- New drugs like Paliperidone Palmitate in Anti-psychotic Category, Tofacitinib in Anti-Arthritis/immunosuppressant category, Saroglitazar magnesium in Anti-diabetic, Vonoprazan fumarate in Anti-Ulcerative, Elagolix sodium in GnRH antagonist category are in advanced stages of development.
- Development of Various drug candidates like Dimenhydrinate in Anti-Emetic category, Amlodipine Besylate in Cardiovascular Category, Divalproex Sodium in Anti-Epileptic category, Ezetimibe in Anti-Lipemic Category are in advanced stages toward ANDA Filing for US.
- Looking forward to developing more than 50 products under Biotech category which includes Global Top sellers key Monoclonal antibodies, Anti-Cancer molecules, Enzymes, Vaccines, male & Female hormonal drugs & Immunosuppressant Drugs.

- Commercialization of Vonoprazan Fumarate & Febuxostat is being planned.
- Further backward integration for key raw materials of Empagliflozin is being planned for cost reduction & process extension for regulation requirement in certain countries such as china.
- Commercialization of Candesartan is planned after its development from basic raw materials.
- To focus on in-house API formulations for domestic and export markets.
- To set up ADL facility for Domestic & ROW market to support Formulation development activities.
- To set up new R&D center for API and ARD facility for formulations for US & other regulatory markets.
- Upgradation/ modification of existing formulation block to get WHO approval for domestic & ROW market.
- Technology/Dossier development for US, other regulatory markets & ROW market.

4) Imported Technology (imported during last 3 years reckoned from beginning of the financial year)

Morepen is looking forward towards marketing of a new imported Anti-COVID19 vaccine technology in collaboration with an international company.

5) Expenditure incurred on Research and Development (R&D)

The Company has incurred a total expenditure of Rs. 828.43 Lakhs, in comparison to expenditure of Rs. 505.82 Lakhs in the previous year (including capital and revenue expenses), towards Research and Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on earnings and outgo of foreign exchange is given in notes to Financial Statements (Standalone) under note no. 30.

For and on behalf of Board of Directors

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: New Delhi
Date: 1st September, 2021



ANNEXURE 'G'

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL PHARMACEUTICAL SCENARIO

The global pharmaceutical market has experienced significant growth in recent years. As of end-2020, the total global pharmaceutical market was valued at about 1.27 trillion U.S. dollars. This is a significant increase from 2001 when the market was valued at just 390 billion U.S. dollars. The market is expected to reach \$1.70 trillion in 2025 at a CAGR of 8%. The pharmaceutical market plays a key role in how people get medications and what people pay for medication. However, some markets are better for pharmaceutical companies than others.

The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working and the closure of commercial activities that resulted in operational challenges.

Following the 2020 pharmaceutical trends, developed countries show steady growth in spending on medicine in 2021. The spending is expected to exceed \$1.4 trillion by the end of 2021. This represents a steady increase in comparison to prior years.

The growth is primarily backed by new products and innovative technologies in leading pharmaceutical markets, such as China and the United States. This trend will likely continue through 2023 despite the pandemic.

North America was the largest region in the global pharmaceuticals market, accounting for 46% of the market in 2020. Asia Pacific was the second largest region accounting for 26% of the global pharmaceuticals market. Africa was the smallest region in the global pharmaceuticals market.

Pharmaceutical companies are offering drugs for customized individual treatment for various diseases. Personalized medicine, also referred to as precision medicine, aims to provide medical care according to the patient's individual characteristics and genetic makeup. Precision therapies are increasingly being adopted as firms increasingly let go of the one-size-fits-all model for common medical conditions.

The population profile of most countries is becoming older. According to the Population Reference Bureau, the share of population over the age of 65 in the global population had increased to 9% from 8% in 2015. The global population aged 65 years or over is expected to rise by 34% reaching 1.4 billion by 2030.

This rise in the aging population increased the patient pool of many chronic diseases such as rheumatoid arthritis, hypertension, diabetes and cancer. The

increase in the patient pool drove the demand for pharmaceuticals used in the treatment of these diseases, significantly impacting market growth during this period.

Oncologic is the top therapeutic class for drug sales globally, followed by antidiabetics. However, the sales of drugs for autoimmune diseases and diabetes have experienced some of the largest growth in spending in recent years.

The healthcare sector faced numerous challenges in 2020. Some of them were predictable, while others seemed to come out of the blue. New medicines are becoming harder and more expensive to produce. Increased cost has led to the reduced demand for prescription medicine.

Loss of exclusivity is increasing steadily. The rise of applications for biosimilars in the US and Europe is one of the current trends in the pharmaceutical industry. These medical products have no clinically meaningful differences from already-approved biomedicine. As a result, they are cheaper to develop and obtain approval for, and consequently, cost less than name-brand drugs.

COVID-19 did not reshape the whole industry. On the contrary, it only fueled the development of pre-existing trends, most notably in the areas of patient engagement and digitalization.

COVID-19: IMPACT ON PHARMACEUTICAL BUSINESS

Many companies announced the postponing of the clinical trials that were underway to focus on the novel coronavirus. The postponement of R&D healthcare projects has led to the reduced demand for pharmaceuticals that is affecting the growth of the market. However, the increased spending in the healthcare sector, along with the rising focus on finding a cure for the global pandemic is expected to bode well for the market in the near future.

A massive spurt in healthcare spending owing to the burden of the treatment of chronic diseases and several disorders for the past ten years has boosted the adoption of pharmaceutical products globally. The pharma companies are aiming to provide affordable and efficient treatment to the patients by focusing on innovating their products to cater to the rising demand.

The coronavirus pandemic and its resultant lockdown badly affected all major sectors of the economy, but it has come as a boon in disguise to the Indian pharmaceutical sector. Though some part of pharmaceutical business was affected such as supply chain and import of active pharmaceutical ingredients from China, COVID-19 has provided some

opportunities in the pharmaceutical sector, especially India.

In generic market, India is facing high competition from China for the supply of APIs at lower cost. India imports 70% of the API needs from China. This created a lot of hardship to some of the domestic pharmaceutical firms manufacturing certain key APIs. India's health security was under threat due to heavy dependence on China coupled with shortage in supply of key APIs.

Some of the key APIs were crucial to mitigate the burden of accelerating disease like tuberculosis, diabetics and cardiovascular diseases in India. The current dependence of Indian pharmaceutical companies on Chinese APIs created a serious concern for national health security, prompting the GoI to set up a taskforce for reviewing the internal API sector.

DOMESTIC PHARMACEUTICAL MARKET

India enjoys a key position in the global pharmaceutical industry. It is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. The country is the world's largest supplier of generics, accounting for 20% of global exports. Globally, India ranks 3rd in terms of pharmaceutical production by volume and 14th by value.

India is the only country with largest number of US-FDA compliant Pharma plants (more than 262 including APIs) outside of USA. India has more than 2000 WHO-GMP approved Pharma Plants, 253 European Directorate of Quality Medicines (EDQM) approved plants with modern state of the art Technology.

India is the source of 60,000 generic brands across 60 therapeutic categories and manufactures more than 500 different Active Pharmaceutical Ingredients (APIs). The API industry is ranked third largest in the world contributing 57% of APIs to prequalified list of the WHO.

India holds 12% of all global manufacturing sites catering to US market. The cost of manufacturing in India is approximately 33% lower than that of the US. India's online pharmacy market is estimated to touch to \$2.7 bn by 2023 from about \$360 million in 2019.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

The domestic market is expected to triplicate in the next decade. India's domestic pharmaceutical market estimated currently at US\$ 42 billion is likely to reach

US\$ 65 billion by 2024 and further expand to reach ~US\$ 120-130 billion by 2030. The Indian biotechnology industry is expected to reach US\$ 150 billion by 2025 from existing value at around US\$ 64 billion.

MOREPEN'S STRATEGY

ACTIVE PHARMACEUTICAL INGREDIENTS (API)

The company is having significant presence in the fields of Anti-histaminic, Anti-asthmatic, Anti-hypercholesterolemia, Anti-hypertensive & Anti-diabetic drugs and has been servicing customers both in export as well as domestic markets from many years. The USDMFs for latest and already commercialized anti-diabetic drugs of 'glistin' series i.e., Saxagliptin Hydrochloride Dihydrate, Anhydrous Sitagliptin phosphate & Linagliptin Form C were filed during the current year for early launch in various markets. The USDMF filing for another commercialized products under this category i.e., Vildagliptin & Alogliptin Benzoate has been planned for the current calendar. The USDMF filing of Amorphous Dapagliflozin of 'Gliflozin' series is planned for the current year. The company has also planned USDMF filing of Ertugliflozin, another new drug of this series, for current financial year as it seems to have good market potential. The USDMFs for latest commercialized blockbuster anti-coagulant drugs of 'aban' series i.e., Apixaban Form N-1 and Apixaban Form H3 were filed during the current year for early launch in various markets whereas scale up and USDMF filing for another blockbuster drugs of this series i.e., Rivaroxaban and Edoxaban Tosylate is planned for current financial year. These valuable additions would make 'Morepen' very strong in Anti-histaminic, Anti-asthmatic, Anti-hypercholesterolemic, Anti-diabetic & Anti-Coagulant drugs. The new product additions in aforesaid new categories are expected to bring additional business to the Company.

The company is world leader in Loratadine produced in its USFDA approved facilities situated at Masulkhana, Himachal Pradesh and Baddi, Himachal Pradesh. The company has achieved leadership position; of being one of the largest suppliers of block buster drugs i.e., anti-asthmatic drug, Montelukast Sodium produced in its USFDA approved Masulkhana facility along with Desloratadine, another anti-histaminic drug.

The company continues to be a prominent player in commercial production of block buster drugs Atorvastatin calcium, Rosuvastatin calcium of anti-hypercholesterolemic series, Fexofenadine Hydrochloride of anti-histaminic series, Olmesartan of anti-hypertensive series & their intermediates produced in its USFDA approved Baddi facility. Another block buster drugs Sitagliptin, Saxagliptin, Linagliptin,



Vildagliptin, Alogliptin of 'Gliptin' series and Empagliflozin, Dapagliflozin Propanediol, Amorphous Dapagliflozin, Canagliflozin Hemihydrate of 'Gliflozin' series are also produced in the Baddi facility to cater the requirement of various customers for formulation development and for the patent free countries.

The company is also focusing on another new therapeutic category i.e., Anti-Depressant drugs like Brexpiprazole and Anti-Ulcerative drug like Vonoprazan Fumarate, are in advance stage of development in the R&D. Apart from this, another complex molecules 'Vortioxetine Hydrobromide' of Anti-Depressant series was developed and transferred its technology to plant and its USDMF filing is planned for the current year. DMF filing of another molecule Febuxostat of Anti-Gout category has also been planned for the current year. The collaborative project is also going on with NIPER Mohali for use of enzyme catalyst for cost effectiveness for the synthesis of intermediates of various API's such as Atorvastatin Calcium, Rosuvastatin calcium & Sitagliptin Phosphate as a step forward towards green chemistry initiative to be eco-friendly.

The company was granted Two process/ polymorph patents for Fexofenadine and Rosuvastatin during the year and other two patents for Sitagliptin and Rosuvastatin are likely to be granted. The company has filed Eleven new patent applications for Novel processes/ New Polymorphs for Vortioxetine Hydrobromide, Amorphous/ Crystalline Empagliflozin, Amorphous/ Crystalline Linagliptin, Amorphous/ Crystalline Edoxaban, Amorphous Apixaban, Brexpiprazole, saroglitazar etc.

FORMULATIONS AND HOME HEALTH DIAGNOSTICS

The company has registered huge growth of more than 70% in home diagnostics devices business though formulation business recorded a drop in its annual revenues during the year. The Diagnostics Devices business of the company has made deep in roads into domestic Blood sugar measuring business as well Blood pressure monitoring devices business. The Blood sugar measuring business as well Blood pressure monitoring devices business have recorded a compounded annual growth rate (CAGR) of 40.68% and 42.54% respectively during last 4 years. On overall basis, during these 4 years, the devices business has recorded a compounded annual growth rate (CAGR) of 40.62%. The company has cumulatively sold 600 million Gluco Strips as on close of current year. Gluco monitors installations have cross 5 million as on date. Formulation's business lost some of its revenues on account of restriction imposed by COVID-19 curfew and not enough doctor's prescription being generated as doctors abstained from operating from their clinics.

The Diagnostics Devices business has been making rapid growth over last many years. During the past many years, the Home Diagnostics business has made humongous growth in its sales revenue and captured top position in Blood Glucose and Blood Pressure Monitoring business. It is fully geared up to grab the all the opportunities in point of care business, wherein people will get to know about body parameters from comforts of their home and without moving out of their houses.

The home devices business has been recording tremendous growth over last many years and hold good fortune in the coming years. The customers continue to repose confidence in our branded product portfolio and the company hopes to record exponential growth in the coming years.

BRAND SHARING AND PRODUCT CONTRACT MANUFACTURING (PCM)

The brand sharing has not registered any growth however contract manufacturing business did record a growth of over 10% in its annual revenues. Formulation's business was hit on account of unavoidable situations created by pandemic COVID-19. Your company has made its present felt across most of the therapeutic areas due to its brand image and quality product delivery.

The company is putting up all its energies for the growth and expansion of its Diagnostics, Formulation and OTC business.

OPPORTUNITIES AHEAD

There has been a tremendous amount of growth in the pharmaceutical industry in recent years, and the outlook continues to be positive for 2021-2022. This is partly due to numerous compounds that are currently in the latter stages of clinical development, coupled with hundreds of new products with approvals anticipated in 2021-2022 and beyond. This happens to be a level of pharmaceutical production that is not customary and has not occurred for about a decade. The industry will continue to benefit from favourable demographic and lifestyle factors, innovations, and a diminishing threat from expiring patents in addition to the shot in the arm for the whole sector from the COVID-19 pandemic whose impact goes beyond the vaccines segment.

Healthcare awareness among large parts of the global population has significantly increased in the course of 2020, triggered by the coronavirus pandemic, which will underpin the sector's robust sales growth, set to run ahead of economic growth in many countries. Demographic and lifestyle factors – such as ageing populations, diet-related illnesses in developed countries, growing prosperity in emerging markets – are also crucial factors supporting sales growth.

Vaccine manufacturers are the main pharmaceutical sector beneficiaries from the COVID-19 crisis, though other sub-sectors – such as diagnostics, over-the counter (OTC) drug and medical-product manufacturers - are also beneficiaries of efforts to combat the pandemic and the consequences of full and partial lockdowns to reduce its spread.

The pharmaceutical companies continue to focus on faster growing treatment areas which are less vulnerable to fierce competition such as immune oncology and rare diseases. Pricing pressure further intensifies in mass market, less innovative segments such as cardiovascular or diabetes.

Several companies have developed or are close to developing and distributing partly innovative exploratory new vaccines in record time. Governments have been ready to help, given the importance of the vaccines for public health. They have poured large sums of money into the vaccine sector, in various forms. The vaccine developers in Europe and the US benefited from investment incentives and grants - as well as massive government pre-orders for which they received customer deposits - as governments increased spending on healthcare in general.

If the industry can use this opportunity to position itself as a partner of governments and efficient “rescuer of society,” it is believed that this might unlock further significant growth potential – and possibly less price regulation in the future.

The rare disease or orphan drug market is projected to grow by a compound annual growth rate of 10.8% until 2026, much above the underlying pharma market.

OUTLOOK ON THREATS, RISKS AND CONCERNS

While the end of the pandemic may be in sight, it is not over yet. COVID-19 case numbers are on the rise globally and major outbreaks continue to impact countries like India. It is likely that we will not even know what recovery will look like until later in the year, when vaccines are more widely available worldwide.

The lingering impacts of COVID-19 will continue to have a serious impact on the industry through the end of the year, in part because reduced consumer confidence means lower than usual demand for pharmaceuticals. In addition, customer purchasing power may remain low as unemployment continues to be a challenge around the world.

The initial stage of the Covid-19 crisis early in 2020 abruptly highlighted the danger of being dependent on only one or very few suppliers. However, the risk of individual companies' over-dependence on single or limited supplier suppliers did not materialise, but, in the larger scheme of things, it was one of the factors

identified in the crisis which could have resulted in much more disruption to the global healthcare sector.

Further industry also faced challenge in reliance on face-to-face visits between doctors and, from the commercial standpoint, the sales staff of drug makers marketing newly approved treatments, or, from the healthcare perspective, with patients from the point of view of hospital-based drug administration. The Covid-19 crisis has shown the need for greater adaptability, flexibility and reforms in this crucial interface in the sector. New trends of digitisation and e-healthcare services to support patient monitoring at home will be a welcome change to less flexible pre-Covid practices.

A new realisation is also drawn from the current pandemic that the pharma companies which have successfully concentrated on a few treatment areas like oncology, immunology and rare diseases, partly through targeted acquisitions. The strategy of focusing on high-growth medical areas, now complemented by vaccines, makes sense from multiple angles. The approach allows companies to avoid more crowded treatment areas with strong pricing pressure like diabetes or cardiovascular drugs. The approach also enables them to realise significant growth and higher prices in a generally more protected commercial environment given the narrow range of competitors.

On account of increased focus on the value of medications the pharmaceutical companies are more concerned than ever about ensuring research and development hits the intended target. There is an effort to achieve greater effectiveness and efficiency to meet the needs of patients while also protecting the bottom line. Now a research is designed to identify medications that can improve the experience and quality of life for patients in a way that's more meaningful. This has required pharmaceutical companies to examine their research and development practices to ensure they are refined and focused.

For businesses that can weather the last few months of lower-than-average demand, the future looks good. Some industry observers predict the pharmaceutical sector will be back on track for rapid growth, as it was pre-pandemic. With factors such as an aging global population, increased prevalence of chronic conditions and the development of new drug therapies to encourage growth as the pandemic recedes and the economy recovers.

Upcoming patent cliffs will be bad news for some major pharmaceutical manufacturers, but good news for companies wanting to develop generic pharmaceuticals and consumers in search of lower prices on medicine.

To emerge as a winner in the post-pandemic world, the Indian industry needs to continue building on its strength



and at the same time make a giant leap towards innovation. New capabilities need to be introduced across the business functions to bring efficiencies and to help industry move up the value chain. Government also needs to provide the right enablers and business environment conducive for growth.

FIXED ASSETS

Fixed Assets of the Company are generally well maintained and are in good condition.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company's internal systems are adequate and commensurate with the size of operations. These controls ensure that transactions are authorized, recorded, and reported on time. They ensure that assets are safe guarded and protected against loss or unauthorized disposal.

The Internal Audit is carried out in different areas of your company's operations. Post-audit reviews were carried out to ensure that audit recommendations were implemented. Discrepancies and weaknesses, if any, found at various levels are timely and suitably addressed with a view to efficiently manage the company's valuable resources.

HUMAN RESOURCES

The human capital is an essential ingredient for carrying out operations of the company. Your company is providing equal opportunity to employees and has applies fair practices. The company judiciously rewards its workforce and values the importance of human capital. The company has strong belief in collective efforts of all the team members. Its traditions of fair play, equal opportunity and value chain enhancement are alive and progressing. The inter-personal relationship amongst workers, staff and officers has been pleasant and of peaceful co-existence. As on March 31, 2021, there were 1510 permanent employees on the rolls of the company.

KEY FINANCIAL RATIOS

Key financial parameters as on 31st March 2021 on the basis of Standalone Financials for the year ending 31st March 2021 & 31st March 2020 respectively are as follows;

Particulars	FY 2021	FY 2020
Debtors Turnover (days)	50	55
Inventory Turnover	4.88	4.67
Interest Coverage Ratio	53.71	20.05
Current Ratio	2.06	1.77
Debt Equity Ratio	0.31	0.43
Operating Profit Margin	8.54%	4.92%
Net Profit Margin	8.38%	4.03%

During the year, the return on Net Worth of the Company is 21.18% as compared to the previous financial year 10.52%.

CAUTIONARY STATEMENT

The market data and other information contained herein have been based on the statistics and information gathered from various published and unpublished sources and the company does not take any assurance about their authenticity. The company's management reserves the right to revisit any of the analytical statements to decide the best course of action for the maximization of Shareholders' value in addition to meeting social and corporate obligations.

Certain statements contained in the Management Discussions and Analysis Report pertaining to company's objectives, strategies, estimates, expectations or predictions, future plans and projections may be forward looking statements within the meaning of applicable laws and regulations and have been made in good faith. The actual results may be affected by many factors that may be different from what is envisaged in terms of future performance and outlook presented above.

For and on behalf of Board of Directors

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: New Delhi
Date: 1st September, 2021

BUSINESS RESPONSIBILITY ('BR') REPORT

Pursuant to Regulation 34(2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Being aware and sensitive towards the society and environment, the norms demand responsible behavior as the world evolves. Across the globe, business ecosystems are getting aligned to deliver sustainable development with greater social accountability alongwith managing financial performance, thus making the process a holistic one. As a responsible business enterprise, Morepen Laboratories Limited (the "company") has always pursued the highest ethos of corporate responsibility and governance, often beyond the regulatory threshold. Cognizant of its responsibilities towards the society and the environment, the company has consistently shaped its business strategies with focus on sustainability.

Pursuant to Regulation 34(2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the company is hereunder presenting its Business Responsibility Report for FY2020-2021:

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identification Number	L24231HP1984PLC006028
2	Name of the company	Morepen Laboratories Limited
3	Registered address	Morepen Village, Nalagarh Road, Malkumraja, Baddi, Solan, Himachal Pradesh, 173205
4	Website	www.morepen.com
5	E-mail i.d.	investors@morepen.com
6	Financial year reported	1 st April, 2020 - 31 st March, 2021
7	Sector(s) that the company is engaged in (industrial activity code-wise)	Pharma Sector under Group 210, Class 2100 as per the National Industrial Classification 2008
8	List three key products / services that the company manufactures / provides (as in balance sheet):	Anti-diabetic, Antihistaminic & Antiallergic category and Antihyperlipedemic etc.
9	Total number of locations where business activity is undertaken by the company	
	i. number of International Locations (Provide details of major 5)	The company has its presence in USA through its wholly owned subsidiary company.
	ii. number of national Locations	The company is doing its business across India. There are four manufacturing units of the company, situated in Himachal Pradesh, India.
10	Markets served by the company Local/ state/ national/ International	In addition to pan India presence, more than seventy international markets are served across Asia, North America, Brazil, European Union & rest of the world.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	Rs. 44.98 Crore on 31 st March, 2021
2	Total turnover (INR) (Consolidated)	Rs. 1200.12 Crore
3	Total profit after taxes (INR) (Consolidated)	Rs. 97.08 Crore
4	Total spending on Corporate social responsibility (Cr) as percentage of profit after tax (%) (Consolidated)	Rs. 0.65 Crore More than 2% of the average net profits of the company made during the immediately three preceding financial years.
5	List of activities in which expenditure in 4 above has been incurred	a) Healthcare b) Women Empowerment c) Ensuring environmental sustainability, ecological balance/ healthcare & sanitation d) Rural development projects e) Education



b. If answer to sr. no. 1 against any principle, is 'no', please explain why: (tick up to 2 options)

Sr. no.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles.	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task.	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months.	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year.	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify).	-	-	-	-	-	-	The company being in pharmaceutical business, working in four corners of applicable acts, rules and policies. Therefore, need for formal policy has not been felt.	-	-

4. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committees of the Board or CEO to assess the BR performance of the company. Within 3 months, 3-6 months, annually, more than 1 year.

Annually

b) Does the company publish a BR or a sustainability report? What is the hyperlink for viewing this report? How frequently it is published?

The company's Annual Report includes Business Responsibility Report. The copy of the same is available on the website of the company i.e., www.morepen.com.

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

The company believes that while implementation of the minimum framework is a pre-requisite, superior governance practices are vital for growing a sustainable and successful business. This has helped the company to gain the trust and confidence of all its stakeholders. The company has built its business practices on the three inviolable principles of ethics, transparency and accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / no. does it extend to the Group /Joint Ventures / suppliers /Contractors /NGOs/ others?

Yes, the policy relating to ethics, bribery and corruption extends beyond our employees, both whole-time and independent directors and covers our subsidiary companies. The contracts with our suppliers, contractors and business partners include adherence to our principles concerning ethics. The company is also preparing a separate code of conduct being adhered to by its suppliers and service providers.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The company encourages all its stakeholders to freely share their concerns and grievances. The company has received nil complaints from various stakeholders during the year 2020-2021.

Principle 2: Product responsibility

Drug's product quality and safety are the fundamental principles of the company. The company strives to provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

1. (a) List of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities. -

The company continuously strives for sustainability by strengthening the processes to minimize the environmental load, understanding risk to the environment and to human health arising from environment and promoting green processes by strategic design of technologies and integrating with updated guidelines.

Following products help to address social or environmental concerns in their design:

I. Loratadine & Desloratadine are antihistaminic drugs that reduces the effects of natural chemical histamine in the body. Histamine can produce symptoms of sneezing, itching, watery eyes, and runny nose. Loratadine is used to treat sneezing, runny nose, watery eyes, hives, skin rash, itching, and other cold or allergy symptoms.

Process of production of Loratadine chemically known as 8-chloro-11-(1-ethoxycarbonyl-4-piperidylidene)-6, 11-dihydro-5H-benzo [5, 6] cycloheptal [1, 2B] pyridine has been described. The process comprises reacting 2-Cyano-3-(3-chlorophenethyl) pyridine with N-Methyl-4-chloropyridine in cyclic aliphatic ether followed by cyclization & dehydration to get N-Methyl Desloratadine which on reaction with Ethyl chloroformate to give Loratadine by conventional methods. This process provides higher yields with desired quality of Loratadine with minimum generation of waste. Desloratadine is the major metabolite of loratadine and the two drugs are similar in safety and effectiveness. Desloratadine is available in many dosage forms and under many trade names worldwide. The company has USFDA and CEP approval for production of both the Drugs for sale in US and European market.

II. Montelukast sodium is a leukotriene (loo-koe-TRY-eeen) inhibitor. Leukotrienes are chemicals that human body releases when breathe in an allergen (such as pollen). These chemicals cause swelling in your lungs and tightening of the muscles around your airways, which can result in asthma symptoms. Montelukast is used regularly to prevent the wheezing and shortness of breath caused by asthma and

decrease the number of asthma attacks. Montelukast is also used before exercise to prevent breathing problems during exercise (bronchospasm).

Montelukast Sodium is produced using an improved process developed in the company's R&D centre for the preparation of highly pure Montelukast sodium with high yield through highly pure diol intermediate and Cyclopropyl Thio side chain compound. The process involves the preparation of Montelukast Acid in solid form and final stage Montelukast Sodium by complete recovery of solvent under vacuum to save solvent and prepare highly pure Amorphous Montelukast Sodium as per Morepen's own granted patent in US, Europe, Canada & India. The process is designed in such as way so as to minimize the residual solvents and wastes. It is also having USFDA and CEP approval along with approval from Chinese and Korean authority. Morepen is further looking to enhance its process by evaluating Biosynthetic pathways. Many processes improvement related proposals related to its cost reduction, reduction of BTC & recycling solvents is already in under implementation.

III. Atorvastatin & Rosuvastatin are used along with a proper diet to help lower "bad" cholesterol and fats (such as LDL, triglycerides) and raise "good" cholesterol (HDL) in the blood. It belongs to a group of drugs known as "statins." It works by reducing the amount of cholesterol made by the liver.

Atorvastatin calcium production includes coupling of Diketone intermediate & Amino side chain to get deprotected Atorvastatin which is deprotected in acid/ basic medium in aliphatic alcohol solvent followed by purification and recrystallization to get Crystalline Form I or Amorphous Atorvastatin calcium by respective process designed in such a way to minimize the residual solvents or wastes. Also, Morepen is looking ahead towards its technical collaboration with Cambrex, Germany for development of various chemoenzymatic/biological methods for synthesis of Atorvastatin key intermediates which are being currently imported from China. These green chemistry initiatives will ultimately lead to eco-friendly industrial method for synthesis of Atorvastatin calcium crystalline as



well as amorphous. Morepen has filed several national & international patents pertaining to its process improvement resulting in appreciable yield gain. It is also having USFDA and CEP approval along with approval from Taiwan authority. Enhanced method for preparation of stabilized amorphous Atorvastatin calcium were devised to get better quality.

IV. 4-(4-fluorophenyl)-6-isopropyl-2-[(N-methyl-N-methylsulfonyl)amino]pyrimidine-5-yl-methanol and aliphatic side chain are the key intermediate for synthesis of Rosuvastatin calcium. Various New polymorphic forms are developed for Rosuvastatin calcium which are being explored by various customers worldwide for better pharmacokinetic & pharmacodynamic properties. Their patents are granted to the company in US and India. A highly efficient process is in place which minimize the usage of hazardous chemicals/catalysts. New polymorphic form M & M2 were invented and were patented in US. The patent for Form M is granted in India & Form M2 is soon to be granted. Polymorphic form M soon will be granted in Europe too. The traditional oral pharmacological therapy for Type 2 diabetes mellitus (T2DM) has been based on the prescription of Metformin, a biguanide, as first line antihyperglycemic agent world over. It has been demonstrated that after 3 years of treatment, approximately 50 % of diabetic patients could achieve acceptable glucose levels with monotherapy; but by 9 years this had declined to only 25 %. Therefore, the implementation of a combined pharmacological therapy acting via different pathways becomes necessary, and its combination with a compound of the sulfonyleurea group was along decades the most frequently employed prescription in routine clinical practice. Meglitinides, glitazones and alpha-glucosidase inhibitors were subsequently developed, but the five mentioned groups of oral antihyperglycemic agents are associated with variable degrees of undesirable or even severe cardiovascular events. The gliptins also called dipeptidyl peptidase 4 (DPP4) inhibitors are an additional group of anti-diabetic compounds with increasing clinical use. Inhibitors of dipeptidyl peptidase 4 (DPP-4 inhibitors or gliptins) are a class of oral hypoglycemics that block the

enzyme dipeptidyl peptidase-4 (DPP-4). They can be used to treat diabetes mellitus type 2. The first agent of the class - sitagliptin - was approved by the FDA in 2006. Glucagon increases blood glucose levels, and DPP-4 inhibitors reduce glucagon and blood glucose levels. The mechanism of DPP-4 inhibitors is to increase incretin levels (GLP-1 and GIP), which inhibit glucagon release, which in turn increases insulin secretion, decreases gastric emptying, and decreases blood glucose levels.

The company has taken a giant leap in anti-diabetic category by developing many of the key drugs in this category like Sitagliptin, Saxagliptin, Linagliptin, Vildagliptin & Alogliptin. Morepen is looking ahead to the patent expiry of Sitagliptin & Saxagliptin that will open many doors to their generic version. We have discovered new polymorphic forms/improved processes of Sitagliptin, Saxagliptin & Linagliptin and are in continuous lookout for novel polymorphic forms / process improvements for other gliptin candidates. Morepen is looking ahead for its ANDA filing in combination of other drugs such as metformin etc. The mechanism of action of all the drugs in body is the same. Morepen has successfully developed novel as well ecofriendly processes for the preparation thereof. The processes have been streamlined in such a way to minimize the cost as well as effluents, whether solid, liquid or gaseous. We are looking forward to our technical collaboration with National Institute of pharmaceutical education & Research (NIPER), India and Cambrex, Germany for chemoenzymatic method of synthesis of various key intermediates of gliptin drugs. Molecular modelling studies were underway in collaboration with NIPER to see the therapeutic effect of various adducts of various gliptin drugs.

V. Sodium-glucose co-transporter 2 (SGLT2) inhibitors, also called gliflozin drugs, are a new class of diabetic medications indicated for the treatment of type 2 diabetes. They have also been found to show cardiac benefits in patients with diabetes and are being studied for possible use in type 1 diabetes. They work by reducing the absorption of glucose via the kidneys so that excess glucose is excreted through urination. In conjunction with exercise and a healthy diet, they can improve glycemic control. They have been studied alone and with other medications

including Metformin, Sulfonyleureas, Nizagara 100, Pioglitazone, and Insulin. We manufacture various gliflozin in this class such as Dapagliflozin, Empagliflozin, Canagliflozin & Ertugliflozin. The process & chemistry involved therein is quite similar using a key intermediate namely, 2,3,4,6-Tetrakis-O-trimethylsilyl-D-gluconolactone. A highly concise methods are being used to develop these new drugs so as to minimize the waste and usage of green solvent or class III solvents is solicited in each of gliflozin drug. Since molecules are chiral, further possibilities of chemoenzymatic methods is also being explored to make process totally green / ecofriendly. Morepen has been able to commercialize the Dapagliflozin, Empagliflozin, Canagliflozin & Ertugliflozin. Many process related patents were also filed related to various Gliflozin drugs. Amorphous forms were also developed in order to capture US/EP market.

VI. Apixaban, Rivaroxaban & Edoxaban Tosylate are anti-coagulant medications used for treatment and prevention of blood clots and to prevent stroke in people with nonvalvular atrial fibrillation. Specifically, they are used to prevent blood clots following hip or knee replacement and in those with a history of prior clots. They are used as an alternative to warfarin and does not require monitoring by blood tests. They are taken by mouth. Both are among the largest selling drugs in the world.

A highly concise method is being used to develop these top drugs keeping in mind the low wastage and effluents and high throughput. Also, the feasibility of green solvents usage is being explored to further enhance the process. Most of the side products are easily treated in ETP and are water soluble. No gaseous wastes are generated in the process throughout. With the patent expiries of these blockbuster drugs, it has opened a new opportunity for regulated markets.

VII. Sartans or Angiotensin II receptor blockers help relax your veins and arteries to lower your blood pressure and make it easier for your heart to pump blood. Angiotensin is a chemical in your body that narrows your blood vessels. This narrowing can increase your blood pressure and force your heart to work harder.

Angiotensin II receptor blockers block the

action of angiotensin II. As a result, the medication allows your veins and arteries to widen (dilate). Morepen is also producing two major sartan drugs - Candesartan & Olmesartan. Morepen has devised use of typical route of synthesis of both the drugs which not only ensures the synthesis of these drugs with lowest possible effluents but also with nil amount of nitrosamine impurities like N-nitrosodiethylamine (NDEA), N-nitrosodiisopropylamine (NDIPA), N-nitrosoethylisopropylamine (NEIPA) and N-nitroso-N-methyl-4-aminobutyric acid (NMBA).

VIII. The company is looking to enter the US market with proposed ANDA Filings for Amlodipine Besylate, Ezetimibe, Divalproex Sodium & Dimenhydrinate. Amlodipine/Ezetimibe is a key antihypertensive molecule which can be launched in combination with Atorvastatin or Rosuvastatin. Divalproex is a potent anti-epileptic medication with great sales & volume world over. Dimenhydrinate is a high volume anti-emetic product with great potential to enter market.

IX. The company has widened its research perspective with focus on developing some of the top 100 molecules from various categories. These molecules include Tofacitinib Citrate in Anti-arthritis category, Paliperidone Palmitate which is the primary active metabolite of risperidone & Brexpiprazole in Antipsychotic Category, Vonoprazan Fumarate in Anti-ulcerative category & Elagolix sodium in GnRH antagonist category. Besides these products for regulated market Morepen is also developing Saroglitazar Magnesium an Anti-diabetic molecule for India. R&D work is completed on these drugs.

X. Other than these molecules, the company is looking for a bright future ahead with its Biotech Division which is still in its early days. The company is entering into technical collaboration with various national & international companies for development / marketing of COVID-19 vaccines in India. The company has been a part of fight against COVID-19 alongside other pharma companies right from the onset. The company has developed hydrochlorothiazide initially when no vaccine was in the scene. Various products of the company namely Sanitizers, Glucometer,



BP Monitor, Nebulizers, digital thermometers & SPO2 monitors are a common name in every Indian household. They are instrumental in war against COVID-19.

XI. The company's Home Health portfolio includes Glucometer and Automatic Digital Blood Pressure Monitor, Digital weighing scales Body & Foot Massagers, Therapy Range, Nebulizers, Clinical & Digital Thermometers. HomeHealth is one of the pioneers in Blood Monitoring segment and holds the distinction being one of the first to introduce "No coding Blood Glucose Monitoring System" under its brand GlucoOne.

(b) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

The company is continuously incorporating /strengthening controls in the sourcing methodology, manufacturing, safety norms and distribution chain. Same were considered during product development. The system is in place for vendor selection and evaluation procedure and emphasize local supplier as and where possible. Product development involves optimum yield which resulted into reduced waste generation by 10-15% by solvent recycling due to cost effective process development and ultimately achieve increased production with reduced waste.

(c) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The company emphasizes to reduce the usage of water and energy consumptions that reduce the direct or indirect cost as well as natural resources. The company always promote natural resource conservation, reuse, reduce, recycle and waste minimization throughout process intensification in terms of process time and optimum yield.

All the company's facilities have obtained approval/certifications such as WHOGMP, USFDA and EDQM, in conformation of structured and conscious efforts and processes for energy management and conservation.

2. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, sustainability in the operations is critically

important if the company is to deliver continued innovation. In the best interests of the human life, the company endeavors to work with responsible suppliers who adhere to the same quality, social and environmental standards prescribed by the company.

The company have a standard operating procedure for the evaluation and selection of its vendors for sourcing of material. This includes the evaluation of the EHS resources and their compliance by suppliers and vendors for key Raw materials/ APIs and intermediates. The company has system of identifying and/ or developing alternate vendors where single vendor is considered critical for business continuity.

3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the company consciously endeavors to sources its procurement of the goods and services from medium and small vendors from the local areas wherever feasible. It improves operational efficiency and saves on transportation cost and inventory management. Further, the company fulfills its manpower requirement by employing the people from the nearby location where it has its business operation to the possible extent.

The company provides detailed specifications as well as technical knowhow to improve capacity and capability of local and small vendors.

4. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). also, provide details thereof, in about 50 words or so.

The company promotes philosophy of the waste reduction hierarchy which consists of reduce, reuse, recover & recycle.

i. Waste solvent is being recovered through recovery system and these are recycled in the respective Products. Excess recovered solvents are old to external agencies (approved by State Pollution Control Board) for reuse at their end.

- ii. Major part of high calorific waste (more than 55%) is being used as an alternate fuel in cement industry in eco-friendly manner.
- iii. Installed sludge dryer is further up graded to have more efficient output.
- iv. The manufacturing facilities have state-of-art effluent treatment facilities, which ensure Zero Liquid Discharge of waste water. All the effluent quantity (i.e., 100%) is being reused in utility operations and gardening.
- v. Plastic waste is sent to CPCB approved agency for recycling.

Principle 3: Wellbeing of Employees

The company treats its human capital as most vital asset. Making available a safe workplace, friendly policies, growth and learning opportunities, and a good work-life balance to employees features high on the Company's priorities. The Company ensures that safety policies are adhered to even by the outsiders / contract labour.

1. Please indicate the total number of employees.

The total number of employees was 1510 as on 31st March, 2021.

2. Please indicate the total number of employees hired on temporary / contractual / casual basis.

The total number of employees hired on temporary / contractual / casual basis was 648 as on 31st March, 2021.

3. Please indicate the number of permanent women employees.

The total number of permanent women employees was 97 as on 31st March, 2021.

4. Please indicate the number of permanent employees with disabilities

There were no permanent employees with disabilities as on 31st March, 2021.

5. Do you have an employee association that is recognized by management?

No

6. What percentage of your permanent employees is members of this recognized employee association?

Not applicable

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the

last financial year and pending, as on the end of the financial year.

The company has not employed any child labour or forced / involuntary labour during the financial year. There was not any complaint received and pending as on 31st March, 2021.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

We continue to devote resources and efforts in encouraging people to upgrade their skills in general and safe working practices in particular. The details of such trainings are as follows:

Sr. no.	Particulars	Percentage
a.	Permanent Employees	72.01%
b.	Permanent Women Employees	68.10%
c.	Casual / Temporary / Contractual Employees	74.15%
d.	Employees with Disabilities	N.A.

Principle 4: Stakeholder Engagement

The company believe that an effective stakeholder engagement process is necessary for achieving its sustainable and inclusive growth. Identifying the stakeholders and engaging with them to understand their needs is an essential part of our sustainability plan.

1. Has the company mapped its internal and external stakeholders? Yes / No

Yes, the Company has established processes for identifying and engaging with stakeholder groups. Internal and external stakeholders of the Company comprise employees and their families, shareholders, local community, regulatory authorities, C&F agents, dealers, suppliers and customers.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

The Company has identified the communities around its manufacturing units as the disadvantaged, vulnerable and marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company contributes to the economic and



social development of the local community through a slew of measures such as healthcare camps, education, community development, school supplies, vocational studies, sanitation, drinking water facilities etc. Participation of local community is encouraged to strengthen the bond and create ownership and involvement to maintain the assets created through its CSR projects.

Principle 5: Human Rights

According to international conventions, the term 'human rights' covers a host of aspects including freedom of association, collective bargaining, non-discrimination, gender equality, avoidance of child and forced labour among others. The Company firmly believes that respecting human rights is essential for a fair and just society and ensures compliance with the applicable laws governing the human rights as well as its own policy formulated in this regard.

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / suppliers / Contractors / NGOs / others?

Yes, its covers all employees of the companies and its subsidiary companies.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint was received during the previous financial year.

Principle 6: Environment

Respecting, protecting and conserving the environment are accorded utmost focus by the Company. Incorporating ecofriendly measures, including best in class technology and processes and ensuring optimal utilization of resources, helps us to make effective contribution towards this objective.

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / suppliers / Contractors / NGOs / others.

Yes, the company have a Health, Safety and Environment policy, which cover all its operations in India. There is a Rainwater Harvesting System installed at Baddi plant with 26 injection wells with large sunken (Catchment) area. Dense and lush green belt has been developed across all its locations. The company is having zero liquid discharge (ZLD) facility. All emission gases are scrubbed in two stage scrubber and solid waste is sent to TSDF and treated as per solid waste

management policy.

The Company also encourages its affiliates to follow the same practice.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.

Yes, the company is committed towards contributing to manage climate change. The company have internal commitments to address climate change and global warming and started using eco-friendly refrigerant gas R 410 in all its air conditioning operations.

The buildings are designed and constructed on the concept of 'Green Building' having natural lights and ventilation. Various power saving devices viz., more efficient electric drives (VFD)/ lights fixtures-LED, solar lights High efficiency motors and pumps etc. are being procured and installed.

The company is not using ozone layer depleting substances in any of its process / utilities. The company has also taken up several other steps directed towards conservation of energy. For more details, please refer to Annexure 'F '(i.e., conservation of energy, technology absorption and foreign exchange earnings and outgo) of the Director's Report.

3. Does the company identify and assess potential environmental risks? Y / N

Yes, the company has system in place to evaluate environment risks under 'Environment Management System'.

Environment risks are evaluated for all process, storage, and handling operations at site. Health, Safety and Environment aspects are taken care while designing manufacturing processes at Research and Development Centre.

Periodic environment monitoring for gases, particulate matters & Noise level monitoring to assess potential environment risk.

Online monitoring systems were installed at treated effluent discharge which is recycled to cooling towers. Online monitoring system is also installed at incinerator chimney.

Both above said online monitoring is directly connected to state & CPCB server.

4. Does the company have any project related to clean development Mechanism? If so, provide details thereof, in about 50 words or so. Also,

if yes, whether any environmental compliance report is filed?

Yes, the company has taken various actions to minimize GHG (Greenhouse Gases) like clean fuel LSHS is used in Boilers, ecofriendly refrigerant gas R410 is used in air conditioning operations.

Yearly environment audits are conducted, wherever applicable, by schedule I auditor decided by State Pollution Control Board. The reports are submitted to the authorities. The incinerated ash is also supplied to the brick industries as an alternative too sand.

Organic Waste Converter is installed at its various manufacturing facilities/ R & D for converting canteen waste into useful compost fertilizer.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.? Y / n. If yes, please give hyperlink for web page etc.

Yes, the company has taken several initiatives on clean technology, energy efficiency and renewable energy. Solar power system has been installed in its manufacturing facility. Energy efficient dewatering system has been installed & commissioned to reduce the moisture content in ETP sludge. LED lights has been installed for energy saving and as in clean technology non lubricating air compressors to save spent oil.

All new installations are having energy efficient motors. Existing motors are being replaced gradually. For more details, please refer to Annexure 'F' (i.e., conservation of energy, technology absorption and foreign exchange earnings and outgo) of the Director's Report.

6. Are the emissions / Waste generated by the company within the permissible limits given by CPCB / HPPCB for the financial year being reported?

Yes, in addition to regular periodic reporting, the company has in place online monitoring system for treated wastewater. This data is accessible by CPCB/HPPCB servers directly.

7. Number of show cause / legal notices received from CPCB / HPPCB which are pending (i.e., not resolved to satisfaction) as on end of financial Year.

No show cause / legal notice is pending at the end of the year 2020-2021.

Principle 7: Public Policy

The Company provides its suggestions on public or regulatory aspects, as and when necessary, through the trade associations and chambers of commerce, of which the Company is a member. The Company also articulates the larger interest of the industry and the community at the aforesaid forums. All this is done with a complete sense of responsibility.

1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:

The company is a member of various trade / Industry associations like Indian PHD Chamber of Commerce, Confederation of Indian Industry (CII) etc.

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / no; if yes specify the broad areas (drop box: Governance and administration, economic reforms, Inclusive development Policies, energy security, Water, food security, sustainable Business Principles, others).

No

Principle 8: Inclusive Growth (CSR)

The Company believes in creating opportunities for communities located around its plants with a view to enable a shared future and inclusive growth.

1. Does the company have specified programs / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the company have specified program on healthcare, in the pursuit of the policy related to Principle 8.

The company is focusing on specific CSR initiatives that support social development. The implementation of said program is carried out through its trust. The details of project undertaken during the year 2020-2021 is mentioned in 'Annual Report on CSR Activities' attached as Annexure D (i.e., Annual Report on Corporate Social Responsibility' activities) to Directors Report.\

2. Are the programs / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

The identified programs/ projects are carried out by the company through a trust namely 'K.B. Suri Memorial Trust' which inter-alia contributes to the



promotion of healthcare including preventive healthcare and manages the 'Jai Durga Charitable Dispensary' situated at Main Bazaar, Katra. Near Hanuman Mandir, Jammu & Kashmir. The said trust also undertaken CSR activities in the area wherein the company operating its business i.e., activities related to Women Empowerment; Ensuring environmental sustainability, ecological balance/ healthcare & sanitation; Rural development projects

Besides the above, it is also supplementing the efforts of the local institutions / NGOs / local Government / implementing agencies in the field of Education, to meet priority needs of the underserved communities with the aim to help them to become self-reliant.

3. Have you done any impact assessment of your initiative?

Yes, the company undertakes timely impact assessments of projects under implementation for ensuring their desired impact and continued sustenance. Though, impact assessment as per the Companies Act, 2013 and its rules made thereunder is not applicable on the company.

4. What is your company's direct contribution to community development projects- amount in INR and the details of the projects undertaken?

During the year under review the company had contributed Rs. 65.02 Lakh to community development program as part of its CSR initiatives. The details of projects undertaken is mentioned in "Annual Report on CSR Activities" attached as Annexure-D to the Directors Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company follows a participatory approach and encourages suggestions from the local community, while planning and implementing various activities/projects. There is continuous engagement with local community to understand their needs and concerns. This participation has

strengthened the bond with the local communities and reinforced the relationship.

Principle 9: Customer Relations

Placing customers at the core of its business activities, the Company instills an organization-wide culture of customer centricity through a slew of measures such as a dedicated Customer Support Services Department, sensitizing and training employees towards customers' needs and concerns etc.

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year?

There are no pending customer complaints / consumer case at the end of financial year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / remarks (additional information).

Yes, the company displays all the product information on the product label, which are mandatory. Besides, the company also displays general information for patients in order to guide them with respect to usage of the certain products. The company strictly comply with all applicable laws including the legal metrology act and essential commodities act, as amended, from time to time.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company periodically carries out internal studies to gauge consumer sentiments and takes appropriate measures to increase the level of customer satisfaction.

For and on behalf of Board of Directors

**Sushil Suri
(Chairman & Managing Director)
DIN: 00012028**

**Place: New Delhi
Date: 1st September, 2021**

CORPORATE GOVERNANCE REPORT

[Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and forming part of the Directors' Report for the year ended 31st March, 2021]

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

A good Corporate Governance contains business values, ethics and morals which acts as a framework for taking business decisions and forms an integral part of the Company's management and business philosophy.

Morepen Laboratories Limited strives for good corporate governance as key to sustainable growth and stake holder's value creation. The Company operates within the standards of propriety and justice with transparency in all dealings, without compromising on integrity, corporate social responsibility and regulatory compliances concerning business and operations of the Company.

The importance of Corporate Governance lies in its contribution both to business prosperity and to accountability. Corporate Governance envisages commitment of the Company towards the attainment of high levels of transparency, accountability, and business prosperity with the ultimate objective of realising long term shareholder value, whilst taking into account the interest of all other stakeholders for wealth creation.

The Company will continue its efforts towards raising its standard in Corporate Governance and will also review its systems and procedures constantly in order to keep pace with the changing economic environment. The Company has complied with the applicable requirements of Corporate Governance and the Disclosures as contained in this Report are in accordance with Regulation 34(3) read with Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter referred to as "the Listing Regulations").

2. BOARD OF DIRECTORS

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors with Women Directors. The composition of Board is in conformity with Regulation 17 of the Listing Regulations and as per the Companies Act, 2013 ('the Act'), as amended. The Chairman being an Executive Director, not less than fifty percent of the Board of Directors comprise of Non-Executive Independent Directors. The Board consists of nine (9) Directors including three (3) Executive Directors, five (5) Non-Executive Independent Directors and one (1) Non- Executive Director.

The Independent Directors are eminent professionals bringing wide range of experience in strategy, finance and law. None of the Directors on the Board is a member of more than ten (10) Committees or Chairman of more than five (5) Committees across all companies in which he/ she is a director. During the Financial Year 2020-2021, the time gap between any two Board Meetings did not exceed one hundred and twenty days.

Except Mr. Sushil Suri, Mr. Sanjay Suri and Mrs. Anju Suri, none of the Directors of the Company is *inter-se* related. The Board composition, directorships and board committee positions, including that of the Company, as on March 31, 2021 are given below:



Parameter	Specific skills/ expertise/ competency	Mr. Sushil Suri	Mr. Sanjay Suri	Mr. (Dr.) A. K. Sinha	Mrs. Anju Suri	Mr. Manoj Joshi	Mr. Sukhcharan Singh	Mr. B. R. Wadhwa	Mr. P.K. Dutt	Mrs. (Dr.) Savita
Strategic expertise	Strategic thinking and inputs.	√	√	√	√	√	√	√	√	√
	Vision and value creation.	√	√	√	√	√	√	√	√	√
	Strategy Development.	√	√	√	√	√	√	√	√	√
	Strategy implementation and change.	√	√	√	√	√	√	√	√	√
Other skills i.e., Leadership, administration, knowledge of finance and taxation etc.	Active decision-making skills, communication skills.	√	√	√	√	√	√	√	√	√
	Leadership skills, influencing and risk oversight	√	√	√	√	√	√	√	√	√
	Risk management skills and stakeholder relations	√	√	√	√	√	√	√	√	√

Disclosure regarding Appointment, Re-appointment and Resignation of Directors

- Mr. (Dr.) A. K. Sinha, Whole-Time Director of the Company, retired by rotation at the 35th Annual General Meeting and re-appointed in the said meeting.
- Mrs. (Dr.) Savita appointed as Woman Independent Director with effect from June 22, 2020 for a term of 5 consecutive years till June 21, 2025, at the 35th Annual General Meeting.

Mr. Sanjay Suri, Whole-Time Director of the Company, who is liable to retire by rotation, being eligible offered himself for re-appointment, in the ensuing Annual General Meeting.

Number of shares and convertible instruments held by Non-Executive Directors

None of the Non-Executive Directors of the Company hold any share/ convertible instruments of the Company except Mrs. Anju Suri. She holds 51,86,369 Equity Shares of the Company as on March 31, 2021.

Number of Board Meetings and attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM)

During the financial year 2020-21, the Board met seven (7) times i.e., on 22nd June, 2020, 31st August, 2020, 10th October, 2020, 09th November, 2020, 12th February, 2021, 25th March, 2021 and 26th March, 2021. The Annual General Meeting ('AGM') for the financial year 2019-2020, was held on 30th September, 2020 through video conferencing/ other audio-visual means. Attendance of the Directors at the Board Meetings and AGM are as follows:

Name of Director	No. of Board meetings held during the tenure	No. of Board meetings attended	Attendance at last AGM*
Mr. Sushil Suri	7	7	Yes
Mr. Sanjay Suri	7	1	Yes
Mr. (Dr.) Arun Kumar Sinha	7	1	Yes
Mrs. Anju Suri	7	7	Yes
Mr. Manoj Joshi	7	6	Yes
Mr. Sukhcharan Singh	7	6	Yes
Mr. Bhupender Raj Wadhwa	7	7	Yes
Mr. Praveen Kumar Dutt	7	6	Yes
Mrs. (Dr.) Savita	7	6	Yes

*Held through video conferencing or other audio-visual means.

The notice and detailed agenda along with the relevant notes and other material information were circulated to the Directors before the meeting including minimum information as required under Regulation 17(7) read with Schedule-II of the Listing Regulations, to the extent applicable and relevant and in exceptional cases tabled at the meeting with the approval of the Board of Directors. All the Directors have full and unrestricted access to any information required by them to understand the transactions and take decisions. It enables the Board to discharge its responsibilities effectively and make an informed decision. The compliance report pertaining to all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances, if any, was circulated to all the Directors along with the agenda and placed/reviewed on quarterly basis in the Board Meeting.

Independent Directors

The Company has received necessary declaration from each Independent Director as per the provisions of Section 149(7) of the Act, that they meet the criteria of independence laid down in Section 149(6) of the Act. Additionally, they are complying with criteria of independence prescribed in clause (b) of sub-regulation (1) of Regulation 16 of the Listing Regulations.

During the year under review a separate meeting of the Independent Directors of the Company was held on 12th February, 2021, without the presence of Non-Independent Directors and members of the Management except Company Secretary. All the Independent Directors of the Company were present in the meeting.

The Board of Directors of the Company is of the firm opinion that all independent directors of the Company fulfil all the requirements/ conditions related to Listing Regulation and the Act and its rules made thereunder and are truly independent of the Management of the Company. During the year, no Independent Director has resigned before the expiry of his/her tenure.

Familiarisation Programme for Independent Directors

The Company has put in place a system to familiarise the Independent Directors about the Company's profile, products, business performance, market presence, constitution, board procedures, major risks and risk management strategy, regulatory compliance status, values and commitments of the Company, through presentations at Board and Committee Meetings. The details of such familiarisation programme for Independent Directors are also available at website of the Company and can be accessed at: <http://www.morepen.com/pdf/Familiarisation-Programme-for-Independent-Directors.pdf>

Performance Evaluation of Board, Committees & Individual Directors

The Company, under the Director's Performance Evaluation Policy, has laid down the process and mechanism for evaluating the performance of the Board, Committees thereof, individual Directors and Chairman of the Board. As per the requirements of the Act and the Listing Regulations, annual performance evaluation of Board, Independent Directors, Non-Executive Director, Executive Director, Committees and Chairman of the Board is required to be carried out during the year. Such evaluation has been carried out as per Director's Performance Evaluation Policy during the financial year ended March 31, 2021.

3. AUDIT COMMITTEE

The Company has an Audit Committee, as per the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act. The terms of reference of the Audit Committee includes the matters specified under Regulation 18 and Part C of Schedule II of the Listing Regulations and Section 177 of the Act, as amended from time to time and other matters referred by Board.

Composition of the Committee

The Audit Committee comprises following members of the Board of Directors.

S. No.	Name of the Committee' member	Category	Status
1	Mr. Manoj Joshi	Non-Executive Independent Director	Chairman
2	Mr. Bhupender Raj Wadhwa	Non-Executive Independent Director	Member
3	Mr. Sukhcharan Singh	Non-Executive Independent Director	Member

All the members of the Committee are financially literate i.e., can read and understand financial statements. The majority of the members of the Audit Committee possesses accounting or related financial management expertise. The meeting of Audit Committee is also attended by the Chief Financial Officer, Statutory Auditors, Internal Auditors and the special invitees with the confirmation of the Chairman of the Audit Committee of the Company. The Company Secretary of the Company acts as the Secretary to the Committee.



Meetings and attendance during the year

During the period under review, five (5) meetings were held i.e., on 22nd June, 2020, 31st August, 2020, 10th October, 2020, 09th November, 2020 and 12th February, 2021. The attendance of members are as follows:

S. No.	Name of the Committee' member	No. of meetings held during the year	No. of meetings Attendance
1.	Mr. Manoj Joshi	5	4
2.	Mr. Sukhcharan Singh	5	4
3.	Mr. Bhupender Raj Wadhwa	5	5

As per Regulation 18(1) of the Listing Regulations, Section 177 of the Act and the Secretarial Standards, Mr. Manoj Joshi, the Chairman of the Committee was present at the last Annual General Meeting of the Company to answer shareholders queries.

Brief terms of reference of the Audit Committee

The terms of reference, role and powers of the Audit Committee are as per the applicable provisions of the Act and Listing Regulations, inter-alia, includes the following:

- (i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) Reviewing with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Modified opinion(s), if any, in the draft audit report.
- (v) Reviewing with the management, the quarterly financial results before submission to the Board for approval;
- (vi) Reviewing with the management, the statement of uses / application of funds raised through an issue (Public Issue, Rights Issue, Preferential Issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a Public or Rights Issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (viii) Approval or any subsequent modification of transactions of the Company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of the company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with internal auditors of any significant findings and follow up there on;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) To review the functioning of the Whistle Blower mechanism;
- (xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments; and
- (xxi) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
- (xxii) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

The Company has a duly constituted Nomination & Remuneration Committee. The Committee's constitution and terms of reference are in compliance with the provisions of Regulation 19 and Part D of Schedule II of the Listing Regulations and Section 178 of Companies Act, 2013, as amended, from time to time and other matters referred by the Board.

Composition of the Committee

The Nomination & Remuneration Committee comprises following members of the Board of Directors;

S. No.	Name of the Committee' member	Category	Status
1.	Mr. Manoj Joshi	Non-Executive Independent Director	Chairman
2.	Mr. Bhupender Raj Wadhwa	Non-Executive Independent Director	Member
3.	Mr. Sukhcharan Singh	Non-Executive Independent Director	Member

Pursuant to provisions of Regulation 19 of the Listing Regulations, all the members of Nomination and Remuneration Committee of the Company are non-executive independent directors of the Company. The Company Secretary of the Company acts as the Secretary to the Committee.

Meetings and attendance during the year

During the period under review, four (4) meetings of Nomination and Remuneration Committee were held i.e., on 22nd June 2020, 31st August 2020, 09th November 2020 and 12th February 2021. The attendance of members are as follows:

S. No.	Name of the Committee' member	No. of meetings held during the year	No. of meetings Attendance
1.	Mr. Manoj Joshi	4	3
2.	Mr. Sukhcharan Singh	4	3
3.	Mr. Bhupender Raj Wadhwa	4	4

As per Regulation 19(3) of the Listing Regulations, Section 178 of the Companies Act 2013 and the Secretarial Standards, Mr. Manoj Joshi, the Chairman of the Committee was present at the last AGM of the Company to answer shareholder queries.



Brief terms of reference of the Nomination and Remuneration Committee

The terms of reference, role and powers of the Nomination and Remuneration Committee are as per the applicable provisions of the Act and Listing Regulations and includes the following:

- Formation of criteria for determining qualification, positive attributes and independence of Directors; Recommendation of the remuneration policy for the Directors, Key Managerial Personnel, and other senior management personnel to the Board;
- Formulation of criteria for evaluation of Directors, the Board and the Committees thereof; Recommendation of remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria and commissions to Non-Executive Directors;
- To devise a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel in accordance with the criteria laid down and recommending to the Board their appointment, removal, and other terms as may be referred by the Board from time to time.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

Performance evaluation of Directors and criteria for Independent Directors

The Nomination & Remuneration Committee carries out the evaluation of performance of individual Directors. Further, in accordance with Schedule IV to the Act and Regulation 17(10) the Listing Regulations, performance evaluation of Independent Directors is done by the entire Board excluding the Director being evaluated.

5. REMUNERATION TO DIRECTORS:

Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company is available on the website of the Company at <http://www.morepen.com/pdf/Nomination-and-Remuneration-Policy.pdf>. The Remuneration to the Executive is paid in accordance with the provisions of the Act, Articles of Association and as per the Nomination and Remuneration Policy of the Company. The Nomination and Remuneration Policy of the Company is aimed at:

- Identifying persons who are qualified to become Directors and persons who may be appointed at senior management and Key Managerial positions;
- Attracting talented managerial persons taking into account the talent market, the remuneration trend and the competitive requirement of the business;
- Retaining high-calibre talent; and
- Determining remuneration of Directors and Key Managerial Personnel.

Presently, except sitting fees Non-Executive Directors are not paid any remuneration. Further, none of the Non-Executive Directors have any pecuniary relationship or transaction vis-a-vis the Company.

Details of remuneration disbursed to Executive Directors of the Company, during the period under review are as under:

(Amount in ₹ /Lakh)

Name of Director	Salary	Perks	Commission	Sitting Fee	Total
Mr. Sushil Suri	508.98	29.54	-	-	538.52
Mr. Sanjay Suri	355.69	24.00	-	-	379.69
Mr. (Dr.) A. K. Sinha	9.00	-	-	-	9.00

Details of sitting fee paid to Non- Executive Directors of the Company, during the year under review are as under:

Name of Director	Sitting Fee (Amount in ₹/ Lakh)
Mr. Manoj Joshi	3.35
Mr. Sukhcharan Singh	2.50
Mr. B. R. Wadhwa	2.95
Mr. P. K. Dutt	1.75
Mrs. Anju Suri	-
Mrs. (Dr.) Savita	1.50

There is no separate service contract executed with Directors of the Company, the terms and condition including notice period, severance fees etc., are as per appointment letter and in accordance with the policy of the Company. The Company does not have any stock option scheme.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to compliance of Regulation 20 and Part D of Schedule II of Listing Regulations and Section 178 of the Act, as amended from time to time, the Company have a duly constituted Stakeholders Relationship Committee.

Composition of the Committee:

The Stakeholders Relationship Committee comprises following members of the Board of Directors;

S. No.	Name of the Committee' member	Category	Status
1.	Mr. Manoj Joshi	Non-Executive Independent Director	Chairman
2.	Mr. Sushil Suri	Executive Director	Member
3.	Mr. Sukhcharan Singh	Non-Executive Independent Director	Member

Mr. Vipul Kumar Srivastava, Company Secretary of the Company, has been designated as Compliance Officer of the Company and acts as the Secretary of the Committee. Pursuant to Section 178(7) of the Act read with Regulation 20 of the Listing Regulations and the Secretarial Standards, Mr. Manoj Joshi, the Chairman of the Committee was present at the last AGM of the Company to answer shareholder queries.

Role of Stakeholders' Relationship Committee

The role and terms of reference of Stakeholders' Relationship Committee are as follows:

- Redressal of grievances of shareholders, including complaints related to the transfer of shares;
- Collecting and analysing reports received periodically from the Registrar and the Share Transfer Agent;
- Approval of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Non-receipt of declared dividends, balance sheets, annual report or any other documents or information sent by the Company to its shareholders.

The Company and its Registrar & Share Transfer Agent attend all grievances received from the shareholders. Efforts are made to ensure that all the grievances of the shareholders are redressed expeditiously and satisfactorily. A separate e-mail i.d., investors@morepen.com, has been designated by the Company for the shareholders to lodge their complaints / queries.

Shareholder's holding shares in physical mode, may address such correspondences either to the Company Secretary of the Company or Mas Services Limited (Registrar and Share Transfer Agent of the Company). However, queries relating to non-receipt of dividend or non-receipt of annual reports of the Company should be addressed to the Company. Members are requested to indicate their DP ID & Client ID/ Ledger Folio number in their correspondence with the Company and to provide their email addresses and telephone/mobile numbers to facilitate prompt response from the Company.

SEBI Complaints Redressal System (SCORES):

The Company has registered with SCORES. In SCORES, the investor complaints may be processed in a centralized web-based complaints redressal system. The salient features of this system are Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the Company and online viewing by investors/shareholder of actions taken on the complaint and its current status.



The Company has received 09 shareholders'/investors' complaints during the year and all complaints have been resolved/answered to the satisfaction of the shareholders. No complaint remained un-attended/pending for more than 30 days.

7. RISK MANAGEMENT COMMITTEE

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 effective from 5th May 2021, the company being a top 1000 listed entity on the basis of market capitalisation as on 31st March 2021, formed a Risk Management Committee of the Board of Directors for monitoring and reviewing of the risk and its management.

Composition of the Committee:

The Risk Management Committee comprises following members of the Board of Directors;

S. No.	Name of the Committee' member	Category	Status
01	Mr. P. K. Dutt	Non-Executive Independent Director	Chairman
02	Mr. Sushil Suri	Executive Director	Member
03	Mr. Sukhcharan Singh	Non-Executive Independent Director	Member

Meetings and attendance during the year

Not applicable.

Brief terms of reference of the Risk Management Committee:

The terms of reference, role and powers of the Risk Management Committee are as per the applicable provisions of the Act and Listing Regulations and includes the following:

- (i) Formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
- (ii) Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (iii) Monitoring and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (iv) Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (v) Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (vi) Appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company have also a duly constituted Corporate Social Responsibility Committee in compliance of Section 135 of the Companies Act, 2013 and its rules made thereunder.

Composition of the Committee:

The Corporate Social Responsibility (CSR) Committee was constituted by the Board of Directors of the Company. The Composition of the CSR Committee are in compliance with the provisions of Section 135 of the Act. The CSR Committee is comprising following members:

S. No.	Name of the Committee' member	Category	Status
1.	Mr. Sushil Suri	Executive Director	Chairman
2.	Mr. Bhupender Raj Wadhwa	Non-Executive Independent Director	Member
3.	Mr. Manoj Joshi	Non-Executive Independent Director	Member

Role of Corporate Social Responsibility Committee

The Role and Terms of Reference of the CSR Committee, includes the following:

- Formulate and update the CSR Policy;
- Decide the CSR activities to be taken up by the Company in accordance with the CSR Policy;
- Decide the amount to be allocated for each project or activity;
- Oversee and monitor the progress of the initiatives rolled out under this Policy;
- Submit a report, to the Board on all CSR activities undertaken during the Financial Year.

During the year three (03) meetings of the Corporate Social Responsibility Committee were held on i.e., 22nd June 2020, 09th November 2020 and 12th February 2021. The requisite quorum was present at all the meetings. Further, Mr. Vipul Kumar Srivastava, Company Secretary of the Company acts as the Secretary of the Committee.

The CSR Policy of the Company is available on the website of the Company at the following address at <http://www.morepen.com/pdf/Corporate-Social-Responsibility-Policy.pdf>.

9. GENERAL BODY MEETINGS

The General Body Meetings i.e., Annual General Meetings were held in accordance with the requirements of Listing Regulations and the Companies Act, 2013.

Details of last three Annual General Meetings (AGMs):

Financial Year	Date & Time	Location	Special Resolution(s) Passed
2019-20	30.09.2020 at 11.00 a.m.	The meeting was held through video conferencing/ other audio-visual mode, deemed venue of the meeting was Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh	Yes, details given below ¹
2018-19	13.09.2019 at 10.00 a.m.	Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh	Yes, details given below ²
2017-18	21.09.2018 at 10:30 a.m.	Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh	-

¹Details of Special Resolutions passed at the 35th Annual General Meeting held on 30.09.2020:

- 1. Amendment to main Object Clause of the Memorandum of Association of the Company
- 2. Adoption of Memorandum of Association of the Company pursuant to the Companies Act, 2013
- 3. Increase in remuneration of Mr. Sushil Suri (DIN: 00012028), Chairman & Managing Director of the Company
- 4. Increase in remuneration of Mr. Sanjay Suri (DIN: 00041590), Whole-Time Director of the company
- 5. Adoption of Article of Association of the Company pursuant to the Companies Act, 2013



²Details of Special Resolutions passed at the 34th Annual General Meeting held on 13.09.2019:

1. Increase in remuneration of Mr. Sushil Suri (DIN: 00012028), Chairman & Managing Director of the Company
2. Re-appointment of Dr. Arun Kumar Sinha (DIN: 00450783) as a Whole-Time Director of the Company
3. Re-appointment of Mr. Sukhcharan Singh (DIN: 00041987) as an Independent Director of the Company
4. Re-appointment of Mr. Manoj Joshi (DIN: 00036546) as an Independent Director of the Company
5. Re-appointment of Mr. Bhupender Raj Wadhwa (DIN: 00012096) as an Independent Director of the Company
6. Maintenance of Register of Members and other Statutory Registers at a place other than Registered Office of the Company
7. Increase in the limits of Loan and Investment under section 186(3) of the Companies act, 2013
8. Authorization for borrowings under Section 180 (1) (c) of the Companies Act, 2013
9. Creation of charge on assets under Section 180 (1) (a) of the Companies Act, 2013
10. Appointment of Mr. Sanjay Suri (DIN: 00041590) as a Whole-Time Director of the Company.

No Special Resolution was passed through postal ballot, during the period under review. None of the businesses proposed to be transacted at the ensuing Annual General Meeting are required to be transacted through postal ballot. There was one Extra-Ordinary General Meeting held during the year under review.

10. MEANS OF COMMUNICATION

Financial Results: The results (quarterly and yearly) of the company published within 48 hours in 'Financial Express' (English) and 'Jansatta' (Hindi) newspapers from the approval thereof except results approved during the lockdown imposed due to outbreak of COVID 19 and relaxation granted by SEBI vide circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated 26th March 2020 etc., and shall also be posted on Company's website viz., www.morepen.com

Annual Report: The Company has sent Annual Reports, notices, and other communications to the shareholders electronically on their email IDs as registered in the depository system in compliance with SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020.

Website: The Company's website i.e., www.morepen.com, contains a separate section wherein shareholders' related information is updated periodically and are available in a user-friendly and downloadable form.

News Release and presentation etc.: The press releases and official news, as applicable, are displayed on the Company's website on the happening of any material event, an official news release is made to the Newspapers/Press, Stock Exchanges and the same is also displayed on the Company website and disseminated to Stock Exchanges.

11. GENERAL SHAREHOLDER INFORMATION

a) Date, Time and Venue of Annual General Meeting (AGM)	Tuesday, September 28, 2021 at 11.00 a.m. through Video Conferencing or Other Audio Visual Means. The deemed venue of the meeting is Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh-173205			
b) Financial Year	April 01, 2020 to March 31, 2021			
c) Date of Book Closure	The dates of book closure will be from Wednesday, September 22, 2021 to Tuesday, September 28, 2021 (both days inclusive) for AGM. The Board of Directors of the Company has not recommended dividend for the financial year ended March 31, 2021.			
d) Stock Exchanges	<p>National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051</p> <p>BSE Limited (BSE) Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Listing fees for the year 2021-22 has been duly paid to NSE & BSE.</p>			
e) Stock code	NSE	BSE		
	Symbol	MOREPENLAB	Scrp Code	500288
	ISIN No.	INE083A01026	ISIN No.	INE083A01026
	RIC Code	Morl.ns	RIC Code	Morl.ns

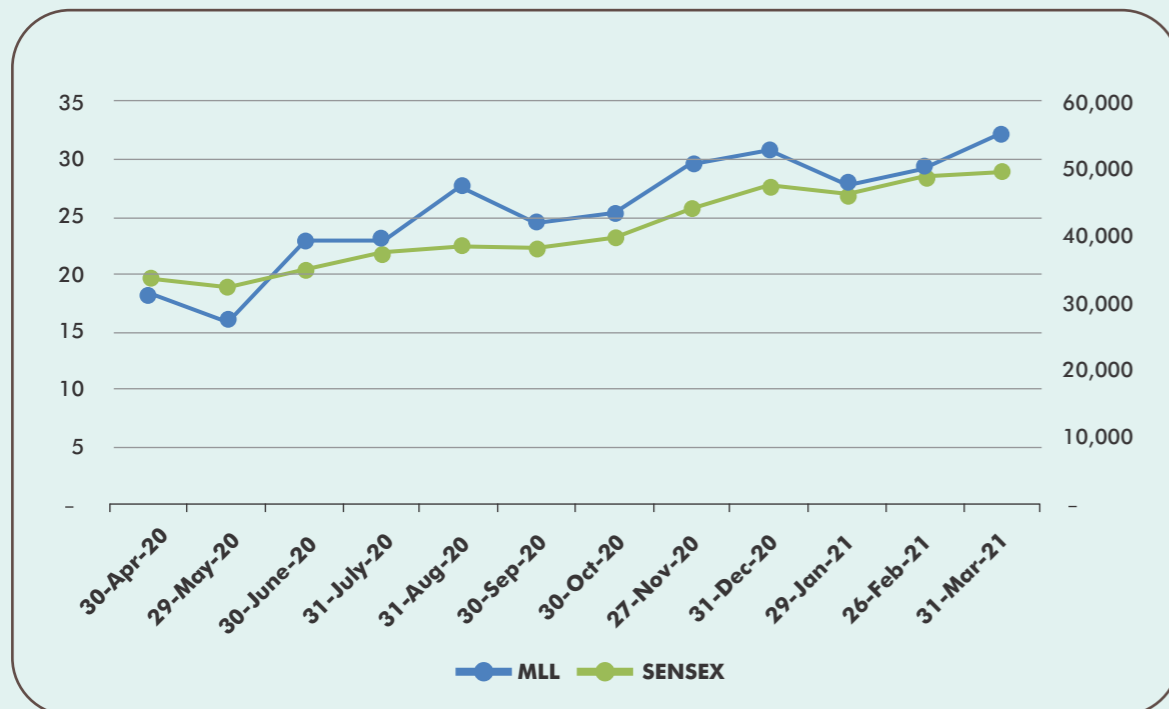
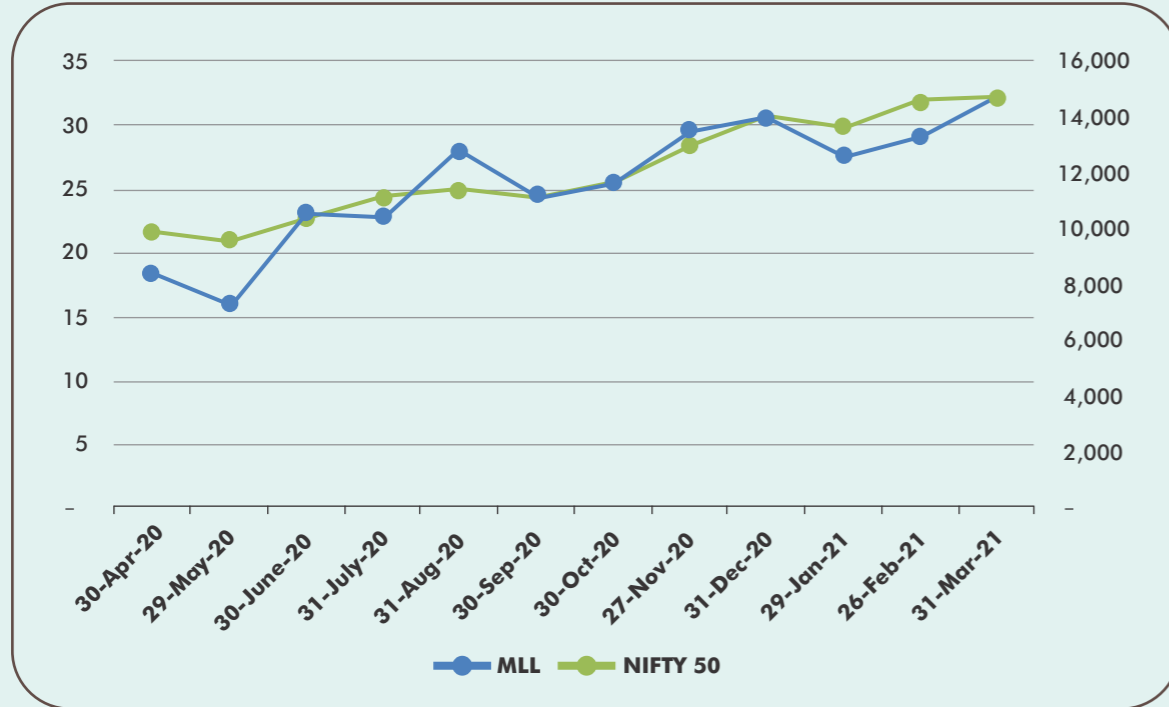
f) Market Price Data:

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
April-2020	20.00	9.31	19.90	9.30
May-2020	19.05	15.50	19.05	15.50
June-2020	34.95	16.00	34.95	16.00
July-2020	26.00	19.30	25.90	19.25
August-2020	28.45	22.85	28.50	22.85
September-2020	28.90	22.30	28.80	22.35
October-2020	31.95	23.80	31.90	23.85
November-2020	30.70	24.90	30.75	25.00
December-2020	35.05	26.20	35.10	26.20
January-2021	32.85	27.25	32.90	27.20
February-2021	31.65	27.30	31.70	27.30
March-2021	38.75	28.90	38.80	28.85

(Source: Official website of BSE & NSE)



g) Performance of Morepen Share Price in comparison to broad based indices such as NSE – Nifty 50 and BSE Sensex



h) Registrar and Share Transfer Agents (RTA)

MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area, Ph.- II, New Delhi - 110 020
Tel. No.: 011 - 26387281/82/83; Fax. No.: 011 - 26387281
e-mail id: info@masserv.com; website: www.masserv.com

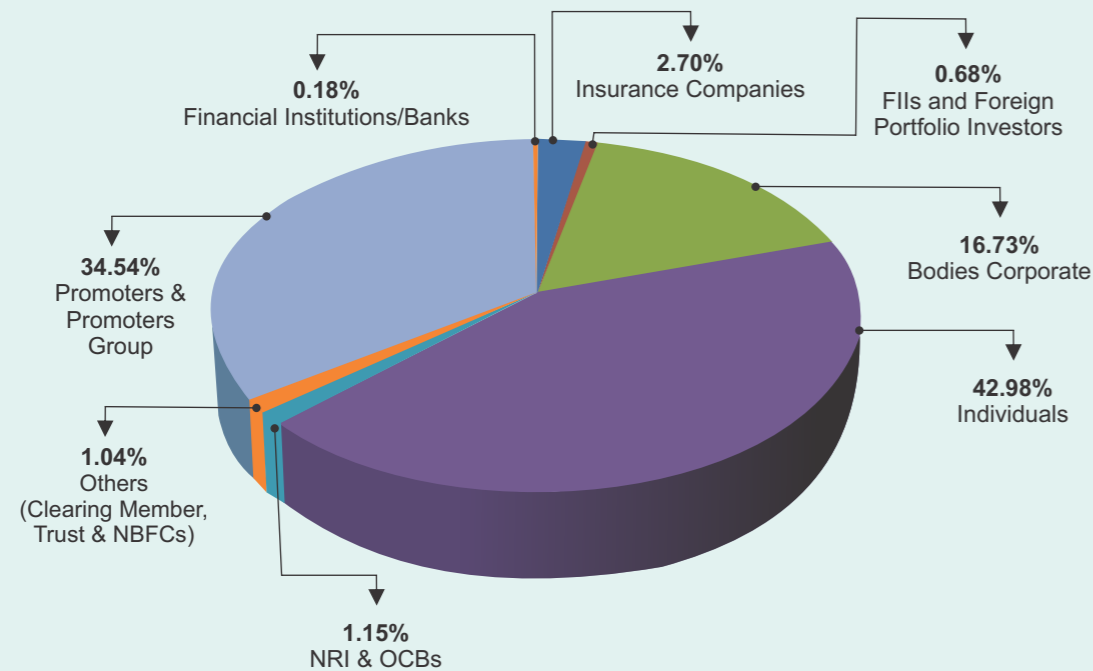
i) Share Transfer System

The Company has appointed a Registrar and Transfer Agent (RTA) viz., Mas Services Limited, for smooth and hassle-free share transfer and other related activities. The requests for share transmission, sub-division, consolidation, renewal, re-mat, duplicate etc., in physical form, may be lodged with the RTA. The Company is complying with applicable Regulations of Listing Regulations and the Companies Act, 2013 and its rules made thereunder related to Share Transfer(s).

j) **Distribution of shareholding as on March 31, 2021**

Category of Shareholdings From-To	No. of shareholders	% of Total shareholders	Total Shares	Amount (₹)	% of total Amount
1 - 5,000	1,53,834	92.89	7,84,31,076	15,68,62,152	17.43
5,001 - 10,000	6,875	4.15	2,48,09,598	4,96,19,196	5.51
10,001 - 20,000	2,700	1.63	2,00,10,789	4,00,21,578	4.45
20,001 - 30,000	772	0.47	97,96,246	1,95,92,492	2.18
30,001 - 40,000	409	0.25	73,57,837	1,47,15,674	1.64
40,001 - 50,000	225	0.14	51,13,762	1,02,27,524	1.14
50,001 - 1,00,000	438	0.26	1,56,22,562	3,12,45,124	3.47
1,00,001 & above	356	0.21	28,86,84,333	57,73,68,666	64.18
Total	1,65,609	100.00	44,98,26,203	89,96,52,406	100.00

Category	No. of shares held	Shareholding (%)
Promoters & Promoters Group	15,53,71,588	34.54
Financial Institutions/Banks	8,26,425	0.18
Insurance Companies	1,21,52,618	2.70
FII's and Foreign Portfolio Investors	30,77,820	0.68
Bodies Corporate	7,52,55,661	16.73
Individuals	19,32,99,540	42.98
NRI & OCBs	51,90,025	1.15
Others (Clearing Member, Trust & NBFCs)	46,52,526	1.04
Total	44,98,26,203	100.00



k) Dematerialization of Shares and Liquidity The Equity Shares of the Company are in compulsory de-mat segment and are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. The ISIN Number of Company on both the NSDL and CDSL is INE083A01026. As on March 31, 2021, 42,09,20,644 Equity Shares of ₹2/- each (93.57%) are held in electronic/de-mat form.

l) Outstanding GDRS/ADRS/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity;

Type of Security	Date of Conversion	Likely impact on Equity
97,35,201 - 0.01% Optionally Convertible Preference Shares (OCPS)	Optionally Convertible into Equity Shares at the end of 7 years from the respective date of its allotment.	The impact on equity would be determined only at the time of conversion of Preference Shares into Equity.
The above shares have been allotted as per the following details: i. 70,40,276 allotted on May 4, 2007; ii. 17,62,000 allotted on May 31, 2007; and iii. 9,32,925 allotted on February 9, 2008	97,35,201 – 0.01% OCPS have fallen due for redemption/ conversion as follows: i. 70,40,276 due on May 4, 2014; and ii. 17,62,000 due on May 31, 2014; iii. 9,32,925 due on February 9, 2015	The Equity Shares, if opted, would be allotted at a price determined as per the provisions of SEBI (ICDR) Regulations, 2018 and other laws as may be applicable.

m) Commodity price risk or foreign exchange risk and hedging activities The Company is not engaged in commodity trading, hedging or exchange risk management activities.

n) Plant Locations

- 1) Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh - 173 205
- 2) Plot No.12 B & Plot No.12 C, Sector - 2, Parwanoo, District Solan, Himachal Pradesh - 173 220
- 3) Village Masulkhana, District Solan, Himachal Pradesh - 173 220

o) Address for correspondence

Registered Office:

Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh - 173 205
Tel No.: 01795 - 276201/02/03; Fax No.: 01795 - 276204
Email id: investors@morepen.com; Website: www.morepen.com

Corporate Office:

409, Antriksh Bhawan, 22, K.G. Marg, New Delhi - 110 001
Tel No.: 011 - 2332 4443/2371 2025 Fax No.: 011 - 2372 2422
Email id: investors@morepen.com; Website: www.morepen.com

Investor Correspondence (RTA):

MAS Services Ltd.
Unit: Morepen Laboratories Limited
T-34, 2nd Floor, Okhla Industrial Area, Ph. - II, New Delhi - 110 020
Tel No.: 011 - 2638 7281/82/83; Fax No.: 011 - 2638 7281
Email id: info@masserv.com; Website: www.masserv.com

p) Credit Rating

The Company didn't issue any debt instruments or any fixed deposit or have any scheme or proposal involving mobilization of funds, whether in India or abroad, therefore, there is no need to have credit rating(s) from any Credit Rating Agencies, during the relevant financial year.

12. DEPOSITORY SERVICES

Shareholders may write to the Company or to the respective Depositories for any guidance on depository services:

National Securities Depository Ltd.
Trade World, 4th Floor,
Kamla Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013
Telephone : 022 - 2497 2964-70
Fax : 022 - 2497 2993, 022-2497 6351

Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers,
28th Floor,
Dalal Street,
Mumbai - 400 023
Telephone : 022 - 2272 3333-3224
Fax : 022 - 2272 3199

13. CORPORATE GOVERNANCE COMPLIANCE

The Company complies with the Corporate Governance Requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation 2 of Regulation 46 of the Listing Regulations.

14. OTHER DISCLOSURES

a) Disclosures on Materially significant related party transactions that may have potential conflict with the interests of the Company at large:

There were no materially significant related party transactions during the financial year 2020-2021 which are considered to have potential conflict with the interests of the Company at large. The particulars and nature of transactions with the related parties in summary form, duly reviewed by Audit Committee, entered into during the year ended March 31, 2021, in the ordinary course of business of the Company and at arm's length basis, are disclosed in compliance with the Indian Accounting Standard on "Related Party Disclosures" in Note No. 32 of Notes to financial statements in the Annual Report.

The Company' Policy on Related Party Transactions is available on website of the Company and can be accessed at <http://www.morepen.com/pdf/Policy-on-Dealings-with-Related-Party-Transactions.pdf>.

b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years:

The Company has complied with the requirements of Stock Exchanges, Securities and Exchange Board of India and other statutory authorities /regulatory on matters relating to capital markets during the last three years. During the year under review, the following order/ penalties/ strictures imposed by Stock Exchange or SEBI or any Statutory Authority: -



(i) The Stock Exchanges had imposed a fine for non-compliance of Regulation 17(1)(a) of Listing Regulations (i.e., delay in appointment in Independent Woman Director on the Board of the company). The company had paid fine with a motion of 'under protect' and submitted reason of said delay in compliance with the Stock Exchanges. The exchanges considered the case favourably and has refunded the entire fine amount.

(ii) SEBI vide its order no. WTM/ AB / EFD-1/ DRA-1/21/2019-20 dated September 24, 2019, in the matter of issuance of Global Depository Receipts by the Company, has directed, inter-alia, prohibited the company to access the securities market and restraining from buying, selling or otherwise dealing in the securities, either directly or indirectly or in any other manner whatsoever, for a period of one year.

The Company had filed an appeal before Hon'ble Securities Appellate Tribunal, inter-alia, for setting aside the aforesaid SEBI order and/or grant an interim stay on operation of the said order. The Hon'ble SAT vide its order dated April 15, 2021, set aside the aforesaid order passed by SEBI.

(iii) On 23.07.2019, the Hon'ble NCLAT has upheld the order passed by Hon'ble NCLT, Chandigarh, wherein the company was directed to cancel the Equity Shares allotted to the FD holders (except to those FD holders who have since traded/ transferred) under the Scheme of Compromise and Arrangement and pay the shareholders (erstwhile FD holders) their fixed deposit dues and also pay a cost of ₹50 Lakh. In compliance with said order, till July 27, 2021, the company had paid a sum of ₹1884.29 Lakhs (inclusive of TDS) against surrender of 50,38,983 Equity Shares to FD holders. The applications for cancellation of shares are filed with the Stock Exchanges, which is under consideration. As on signing of this report, the company has paid to 4953 FD holders against surrender of 50,38,983 equity shares.

c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel have been denied access to the Audit Committee:

The Company has adopted a Vigil Mechanism/Whistle Blower Policy for developing a culture where it is safe for all directors/employees to raise concerns about any unacceptable practice and any event of misconduct. The Policy allows unrestricted access to all employees and others to approach the Audit Committee and there has been no instance during the year where any personnel has been denied access to the Audit Committee.

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

The Company has generally complied with all the mandatory requirements as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations, to the extent applicable to the Company.

e) Disclosures related to policy for 'material' subsidiary

Except Dr. Morepen Limited, none of the subsidiary Company is a material non-listed subsidiary as defined in Regulation 24 of the Listing Regulations. The company is complying with applicable provisions of Listing Regulations. The Audit Committee of the Company periodically reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies. The Minutes of the Board Meetings and financial statements of all unlisted subsidiary Companies are circulated along with agenda and are also placed before the Meeting(s) of the Board of Directors of the Company. The Policy for determining the 'material' subsidiaries is in accordance with the definition of 'material subsidiary' as contained in Regulation 16(1)(c) of the Listing Regulations and the same is available on the website of the Company at following web link at <http://www.morepen.com/pdf/Policy-for-Determining-Material-Subsidiary.pdf>

f) Disclosures related to policy on dealing with Related Party Transaction

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said Policy is available on the website of the Company and can be accessed through web link at <http://www.morepen.com/pdf/Policy-on-Dealings-with-Related-Party-Transactions.pdf>.

g) Disclosures related commodity price risks and commodity hedging activities

The Company is not engaged in the business related to commodity therefore this clause is not applicable on the Company.

h) Disclosures related to utilization of funds raised through preferential allotment or qualified institutional placement

During the year under review, the Company has raised funds through preferential issue and allotment of Seven Crore Fully Convertible Warrants to the entities belonging to the promoter group. Pursuant to Regulation 32 of the Listing Regulations read with SEBI circular No. CIR/CFD/CMD1/162/2019 dated December 24, 2019, the necessary disclosure was submitted with the Stock Exchanges and is available on website of the Company, which can be accessed through web link at <https://www.morepen.com/public/uploads/investor/Morepen60ccaac9d0d9d.pdf>

i) Certificate of Practicing Company Secretary for Board of Directors

A certificate has been obtained from Mr. Praveen Dua, Proprietor of PD & Associates, a firm of practicing company secretary, that none of the Directors on the Board has been debarred or disqualified from being appointed/re-appointed or continuing as Director of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

j) Disclosures related to recommendation of Committee(s) of the Board of Directors of the Company

There is no instance wherein the Board had not accepted any recommendation of any committee of the board which is mandatorily required, during the financial year. The Board had considered all the recommendation of / submissions of the Committee before passing any resolution.

k) Disclosures related to total fees paid to Statutory Auditors for all their services to the Company and its subsidiary

Total fees paid to Statutory Auditors for all services provided to the Company and its subsidiaries, on a consolidated basis, is ₹49.26 Lakh for the year ending 31st March 2021. The firm of Statutory Auditors does not have any network firm/network entity of which the Statutory Auditors are a part.

l) Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as follows:

- (i) number of complaints filed during the financial year- NIL
- (ii) number of complaints disposed of during the financial year-NIL
- (iii) number of complaints pending as on end of the financial year-NIL

m) Disclosure related to compliance related to Corporate Governance

There is no non-compliance of any requirement of Corporate Governance as mentioned of Sub paras (2) to (10) of Part C of Schedule V of the Listing Regulations. Except non-compliance of Regulation 17(1)(a) of Listing Regulation for a period from 1st April 2020 to 21st June 2020, the Company is complying with all compliance related to Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

n) Disclosure related to adoption of discretionary requirements – Part E of Schedule II of Listing Regulations.

Presently, the Company has not adopted certain discretionary requirements viz., maintenance of Non-Executive Chairman's office, sending of half-yearly declaration of financial performance including summary of the significant events in last six months to each household of shareholders and separate post of Chairperson and Managing Director or Chief Executive Officer. However, the requirement viz., moving towards regime of financial statements with unmodified audit opinion, reporting of internal auditors directly to the Audit Committee have generally been complied with.

o) Chairman Managing Director and Chief Financial Officer' declaration

In accordance with Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, the Chairman Managing Director and Chief Financial Officers have furnished a duly signed Compliance Certificate to the Board of Directors for the year ended March 31, 2021.



A declaration for compliance of Code of Conduct by the Board of Directors and Senior Management Personnel, duly signed by Chairman Managing Director of the Company annexed with this report.

The Chairman Managing Director and Chief Financial Officer have also certified to the Board in accordance with Regulation 33(2)(a) of the Listing Regulations pertains to Chairman Managing Director & Chief Financial Officer certificates for the financial year ended 31st March, 2021.

p) Compliance Certificate from Practicing Company Secretary for Corporate Governance Compliance

A certificate from Mr. Praveen Dua, Proprietor of PD & Associates, a firm of practicing company secretary, regarding compliance of conditions of corporate governance is annexed with Directors Report.

q) Code of Conduct to Regulate, Monitor and Report Trading by Insiders

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, and with a view to regulate trading in securities by the Promoters, Directors, Designated Persons, Employees and other connected persons, the Company has adopted a Code of Conduct to Regulate, Monitor and Report Trading by Insiders pursuant to compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

r) Compliance related to Secretarial Standards as issued by the Institute of Company Secretaries of India

The applicable Secretarial Standards as issued by the Institute of Company Secretaries of India and approved by the Central Government has been duly complied with and adhered to by the Company.

15. EQUITY SHARES IN THE SUSPENSE ACCOUNT

In terms of Part F of Schedule V of the Listing Regulations, the Company hereby reports the following details in respect of Equity Shares lying in de-mat unclaimed suspense account of the Company which were issued in de-mat form and physical form:

Particulars	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on April 1, 2020	4,848	53,75,463
Number of shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the year	6	7865
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	6	7865
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2021	4,842	53,67,598

Note: The voting rights in respect of the shares lying in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

For Morepen Laboratories Limited

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: New Delhi
Date: 1st September, 2021

DECLARATION PURSUANT TO PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

In accordance with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed compliance with Code of Conduct of Board of Directors and Senior Management, as applicable to them, for the year ended March 31, 2021.

For Morepen Laboratories Limited

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: New Delhi
Date: 1st September, 2021

CERTIFICATE FROM PRACTICING COMPANY SECRETARY
(Pursuant to clause 10(i) of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015)

We, PD and Associates, Practicing Company Secretaries, hereby certify that none of the Directors on the Board of the Morepen Laboratories Limited (CIN: L24231HP1984PLC006028) ("the Company"), have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI)/Ministry of Corporate Affairs or any such Statutory Authority.

For PD and Associates
Company Secretaries

CS Praveen Dua
Proprietor
FCS No.: 3573
C.P.No.2139
UDIN: F003573C000696749

Place: New Delhi
Date: 27th July, 2021



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE PURSUANT TO PART E OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

**The Shareholders / Members,
Morepen Laboratories Limited**

We have examined the compliance of conditions of Corporate Governance by Morepen Laboratories Limited ('the Company') for the financial year ended on March 31, 2021 as stipulated in Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') of the Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, of the above-mentioned Listing Agreement except as per our report on Secretarial Audit with respect to delay in appointment of independent woman director.

On the basis of information/documents provided to us, we state that in respect of investor grievances received during the financial year ended March 31, 2021, no investor grievance is pending against the Company for a period exceeding one month as per the records maintained by the Company which are presented to the Stakeholders Relationship Committee (Shareholders/Investor Grievance Committee).

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

**For PD and Associates
Company Secretaries**

**CS Praveen Dua
Proprietor
FCS No.: 3573
C.P.No.2139
UDIN: F003573C000696751**

**Place: New Delhi
Date: 27th July, 2021**

CMD AND CFO CERTIFICATE PURSUANT TO PART B OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

**The Board of Directors/Audit Committee
Morepen Laboratories Limited**

We, Sushil Suri, Chairman & Managing Director and Ajay Sharma, Chief Financial Officer, of Morepen Laboratories Limited, hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2021 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Morepen Laboratories Limited

**Place: New Delhi
Date: 04th May, 2021**

**Ajay Sharma
(Chief Financial Officer)**

**Sushil Suri
(Chairman & Managing Director)
DIN: 00012028**



Independent Auditor's Report

To the Members of Morepen Laboratories Limited Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Morepen Laboratories Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended,

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	<p>In the Scheme of Arrangement & Compromise under Section 391 of the Companies Act, 1956 as approved by the Hon'ble High Court of Himachal Pradesh vide its Order dated August 4, 2009, the Company allotted 9,24,90,413 Equity Shares to the fixed deposit holders in settlement of their dues. The Hon'ble NCLT vide its judgment dated 12th March 2018 dismissed the Company's petition seeking approval of the Scheme and stated that the order will not affect the allotment of the shares to the FD holders who have traded the shares to the third parties or transferred the allotted shares and to the balance FD holders (eligible FD holders), the company shall pay the outstanding amount as per the scheme approved by the Company Law Board (CLB). The appeal preferred by the company against the said order of NCLT, is dismissed by Hon'ble National Company Law Appellate Tribunal (NCLAT).</p> <p>Pursuant to implementation of Hon'ble National Company Law Tribunal (NCLT), Chandigarh Order dated 12.03.2018, out of 3,85,65,810 Equity Shares of ₹2/- each issued at a premium of ₹9.32 per share belonging to eligible FD holders, applications for 58,95,549 Equity Shares were submitted for cancellation with the company till 31.03.2021.</p> <p>(Refer Note No. 12G to the standalone financial statements)</p>	<p>Principal Audit Procedures</p> <p>We collected and analyzed the Scheme approved by the Company Law Board (CLB) dated 19.08.2003, Judgment of Hon'ble NCLT dated 12th March 2018, order of Hon'ble National Company Law Appellate Tribunal (NCLAT), Communication with ROC and Stock Exchanges in this regard and other relevant documents in this regard.</p> <p>The payment to eligible FD holders may impact financials of the company in the coming year/years.</p>

("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the company in accordance with applicable Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement 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 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 the operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement 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 procedure 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, 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 standalone financial statement 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transaction and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factor in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of section 143(11) of the Act, we give in 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, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity

and the Statement of Cash Flows dealt with by this report are in agreement with the books of accounts.

- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2021 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - (ii) The Company did not have any long term contracts including derivative contracts.
 - (iii) During the year, the company was not liable to transfer any amount to the Investor Education and Protection Fund.

For Satinder Goyal & Co.
Chartered Accountants
Firm's Regn. No: 027334N

S.K. Goyal
(Partner)

Date : 04th May, 2021 Membership No. : 084613
Place : New Delhi UDIN:21084613AAAAAP4207

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone financial statements of Morepen Laboratories Limited for the year ended 31st March, 2021.)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanation given to us, the Company has a regular program of physical verification of its fixed assets. In our opinion, the frequency of physical verification is reasonable having regard to the size and the nature of its assets. As, informed to us, the discrepancies noticed on such verification are not material and have been properly dealt with in the books of accounts.
 - (c) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the title deeds of immovable property are held in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the company has not 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 Act. Hence provision of this clause is not applicable.
- (iv) According to the information and explanations given to us and based on audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security, the company has complied with the provisions of section 185 and 186 of the Act.
- (v) The company is complying Hon'ble National Company Law Tribunal (NCLT) order dated 12.03.2018 in the matter of fixed deposit holders. (Refer Note 12(G) to standalone financial statements).
- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the company's products to which the said rules are made applicable and that prima facie, the prescribed cost records have been made and maintained. However we have not carried out detailed examination of the records with a view to determine whether these are accurate and complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, during the year, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, duty of custom, value added tax, goods and services tax (GST), cess and any other applicable statutory dues to the appropriate authorities. No such dues are outstanding as on 31st March 2021 for a period exceeding six months.
 - (b) According to the records and information and explanation given to us there are no dues in respect of Income tax, Sales tax, VAT, Service-tax, Custom duty, cess outstanding as at March 31, 2021 due to any dispute.
- (viii) According to the information and explanations given to us by the management, the company has not made any default in the repayment of loans or interest to Banks/FIs. However, the preference shares issued to Banks/FIs have not been redeemed. (Refer Note No. 17 of standalone financial statements).
- (ix) According to the information and explanations given to us and based on our examination of the records of the company, during the year, the company did not raise any money by way of initial public offer or further public offer (including debt instruments). Term loan are applied for the purpose these are raised.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations given to us and on the basis of our verification of books of accounts of the company, the company has paid/provided for Managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V of the Act.
- (xii) In our opinion and according to information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.



- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 & 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the company has made an allotment of 700 Lakhs nos. of share warrants to the promoter group and has received, a sum of ₹4375.00 Lakhs, being 25% of the warrant subscription monies towards subscription of 700 Lakhs nos. of share warrants entitling them equivalent number of Equity Shares of ₹2/- each (at a premium of ₹23/- each share) in accordance with SEBI (ICDR) Regulations,

2018& SEBI (LODR) Regulations, 2015 as amended. Subject to exercise of option and payment of balance 75% amount of warrants issue price, the said warrants will be converted into equal no. of equity shares of the company. (Refer footnote to the Statement of Changes in Equity)

- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non- cash transaction with directors or person connected with them during the year. Accordingly, the provision of clause 3(xv) of the Order are not applicable to the company.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Satinder Goyal & Co.
Chartered Accountants
Firm's Regn. No: 027334N**

**S.K. Goyal
(Partner)**

**Membership No. : 084613
UDIN: 21084613AAAAAP4207**

**Place : New Delhi
Date : 04th May, 2021**

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone financial statements of Morepen Laboratories for the year ended 31st March 2021)

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

We have audited the internal financial controls over financial reporting of **Morepen Laboratories Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 (the "Guidance Note"). 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 Act.

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 and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial control. 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 includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may



occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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.

**For Satinder Goyal & Co.
Chartered Accountants
Firm's Regn. No: 027334N**

**S.K. Goyal
(Partner)
Membership No. : 084613
UDIN: 21084613AAAAAP4207**

**Place : New Delhi
Date : 04th May, 2021**

Financial Statements



Balance Sheet

As at 31st March, 2021

		(₹ in Lakhs)	
		As at	As at
		31.03.2021	31.03.2020
A ASSETS			
1. NON-CURRENT ASSETS			
Property, Plant and Equipment	2	12788.54	13243.52
Capital Work in Progress	2	195.63	-
Goodwill	2	-	-
Other Intangible Assets	2	1613.72	240.56
Financial Assets :			
Investments	3	11877.98	11877.98
Loans	4	6.05	6.80
Other Non-Current Assets	5	8988.65	6003.75
		35470.57	31372.61
2. CURRENT ASSETS			
Inventories	6	16961.00	13247.26
Financial Assets :			
Trade Receivables	7	15552.14	12140.53
Cash and Cash Equivalents	8	4047.44	1279.11
Bank Balances other than Cash and Cash Equivalents	9	2650.73	2524.13
Loans	4	27.44	35.02
Other Financial Assets	10	58.20	56.37
Other Current Assets	11	9982.35	5543.56
		49279.30	34825.98
Total		84749.87	66198.59
B EQUITY AND LIABILITIES			
1. EQUITY			
Equity Share Capital	12	8995.86	8995.86
Other Equity		35501.41	21728.83
		44497.27	30724.69
2. NON - CURRENT LIABILITIES			
Financial Liabilities :			
Borrowings	13	82.83	92.46
Other Financial Liabilities	14	205.19	205.19
Provisions	15	2401.14	2238.01
		2689.16	2535.66
3. CURRENT LIABILITIES			
Financial Liabilities :			
Borrowings	13	1532.44	1135.95
Trade Payables	16	19233.32	15838.01
Other Financial liabilities	17	16075.02	14987.39
Other Current Liabilities	18	362.43	751.50
Provisions	15	360.23	225.39
		37563.44	32938.24
TOTAL		84749.87	66198.59
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-39		

As per our separate report of even date For & on behalf of the Board of Directors of Morepen Laboratories Ltd.

For Satinder Goyal & Co.
Chartered Accountants
Firm Regn. No. 027334N

(CA S. K. Goyal)
Partner
Membership No. 084613

Place : New Delhi
Date : 4th May, 2021

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Ajay Sharma)
Chief Financial Officer

(Manoj Joshi)
Director
DIN : 00036546

(Vipul Kumar Srivastava)
Company Secretary
Membership No. A-26231

Statement of Profit and Loss

For the Year Ended 31st March, 2021

		(₹ in Lakhs)	
		Year Ended	Year Ended
		31.03.2021	31.03.2020
	Note No.		
REVENUE			
Revenue from Operations (Net)	20	111242.29	79198.74
Other Income	21	1177.38	941.72
Total Income (I)		112419.67	80140.46
EXPENSES			
Cost of Materials Consumed	22	61792.65	41321.87
Purchases of Stock-in-Trade	23	16067.26	11545.31
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(4198.13)	(758.40)
Employee Benefits Expense	25	12320.13	9807.19
Finance Costs	26	178.79	196.75
Depreciation and Amortization Expense	2	2811.03	3443.39
Other Expenses	27	14023.10	10836.17
Total Expenses (II)		102994.83	76392.28
Profit before Tax		9424.84	3748.18
Tax Expense			
Tax (Earlier year)		-	514.87
Profit for the Year (III)		9424.84	3233.31
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss		27.26	217.25
Tax (Earlier year)		-	37.03
Other Comprehensive Income for the Year (Net of Tax) (IV)		27.26	254.28
Total Comprehensive Income for the Year (III+IV)		9397.58	2979.03
Earning per equity share (Face Value of ₹2/- each)	33		
(1) Basic		2.10	0.72
(2) Diluted		2.09	0.72
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-39		

As per our separate report of even date For & on behalf of the Board of Directors of Morepen Laboratories Ltd.

For Satinder Goyal & Co.
Chartered Accountants
Firm Regn. No. 027334N

(CA S. K. Goyal)
Partner
Membership No. 084613

Place : New Delhi
Date : 4th May, 2021

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Ajay Sharma)
Chief Financial Officer

(Manoj Joshi)
Director
DIN : 00036546

(Vipul Kumar Srivastava)
Company Secretary
Membership No. A-26231



Cash Flow Statement

For the Year Ended 31st March, 2021

	Note No.	Year Ended 31.03.2021	Year Ended 31.03.2020
A. CASH FLOWS FROM OPERATING ACTIVITIES :			
Profit before Tax		9424.84	3748.18
Adjustments for :			
Depreciation & Amortisation	2	2811.03	3443.39
(Profit)/Loss on Sale of Property, Plant & Equipments		(0.03)	-
Provision for Employee benefit (OCI)		27.26	217.25
Finance Cost	26	178.79	196.75
Operating Profit before changes in Current Assets and Liabilities		12387.37	7171.07
Changes in Current Assets and Liabilities -			
Trade Receivables	7	(3411.61)	55.96
Loans, Bank balance other than cash & Cash equivalent and other Current Assets	4,9,10,11	(4559.64)	(2045.03)
Inventories	6	(3713.74)	(4163.10)
Current Liabilities	15,16,17,18	4228.71	619.05
Cash generated from Operations		4931.09	1637.95
Tax Expense (Net)		-	(551.90)
NET CASH GENERATED FROM OPERATING ACTIVITIES		4931.09	1086.05
B. CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant & Equipments & Capital work in Progress	2	(2174.42)	(1664.43)
Purchase/Addition of Intangibles (Net)		(1750.89)	(3.71)
Proceeds from Sale of Property, Plant & Equipments		0.50	-
Sales/(Purchase) of Investments (Net)	3	-	(106.25)
Investment in Other Non-Current Assets and Loans	4,5	(2984.15)	566.75
NET CASH USED IN INVESTING ACTIVITIES		(6908.96)	(1207.64)
C. CASH FLOWS FROM FINANCING ACTIVITIES:			
Finance Cost	26	(178.79)	(196.75)
Proceeds/(Repayments) of Long Term Borrowings (Net)	13	(9.63)	(86.69)
Proceeds/(Repayments) of Short Term Borrowings (Net)	13	396.49	236.98
Proceeds from Issue of Share Warrants	37	4375.00	-
Change in Other Non-Current Liabilities & Provisions (Net)	14,15	163.13	511.34
NET CASH USED IN FINANCING ACTIVITIES		4746.20	464.88
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		2768.33	343.29
Cash and Cash Equivalents as at Beginning of the Year		1279.11	935.82
Cash and Cash Equivalents as at End of the Year		4047.44	1279.11
Bank Balances other than Cash and Cash Equivalents		2650.73	2524.13
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-39		

As per our separate report of even date For & on behalf of the Board of Directors of Morepen Laboratories Ltd.

For Satinder Goyal & Co.
Chartered Accountants
Firm Regn. No. 027334N

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Manoj Joshi)
Director
DIN : 00036546

(CA S. K. Goyal)
Partner
Membership No. 084613

(Ajay Sharma)
Chief Financial Officer

(Vipul Kumar Srivastava)
Company Secretary
Membership No. A-26231

Place : New Delhi
Date : 4th May, 2021

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March, 2021

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)		
Balance as at 1 st April, 2020	Change in equity share capital during the year	Balance as at 31 st March, 2021
8995.86	-	8995.86

B. OTHER EQUITY

(₹ in Lakhs)							
	RESERVES & SURPLUS				Other items of other comprehensive income	Money received against Share warrants	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings			
Balance as at 1st April, 2020	270.40	7123.33	16740.51	(1928.58)	(476.83)	-	21728.83
Profit for the year	-	-	-	9424.84	-	-	9424.84
Other comprehensive income/(loss) for the year	-	-	-	-	(27.26)	-	(27.26)
Total comprehensive income/(loss) for the year	-	-	-	9,424.84	(27.26)	-	9397.58
Money received against share warrants	-	-	-	-	-	4375.00	4375.00
Balance as at 31st March, 2021	270.40	7123.33	16740.51	7496.26	(504.09)	4375.00	35501.41

Money received against share warrants ('Warrants') represents amounts received towards fully Convertible Warrants which entitles the warrant holders, the option to apply for and be allotted equivalent number of equity shares of face value of ₹2/- each within a period of 18 months from dates(s) of allotment of Warrants.

During the year, equity shareholders of the company approved allotment of 1685 Lakhs no. of share warrants to the promoter group entities. The company has received, a sum of ₹4375.00 Lakhs, being 25% of the warrant subscription monies, from these entities towards subscription of 700 Lakhs nos. of share warrants entitling them equivalent number of Equity Shares of ₹2/- each (at a premium of ₹23/- each shares) in accordance with SEBI (ICDR) Regulations, 2018 & SEBI (LODR) Regulations, 2015 as amended. During the year, the company has made an allotment of 700 Lakhs nos. of share warrants to the promoter group. Subject to exercise of option and payment of balance 75% amount of warrants issue price, the said warrants will be converted into equal no. of equity shares of the company.

SIGNIFICANT ACCOUNTING POLICIES
NOTES ON FINANCIAL STATEMENTS

1
2-39

As per our separate report of even date

For & on behalf of the Board of Directors of Morepen Laboratories Ltd.

For Satinder Goyal & Co.
Chartered Accountants
Firm Regn. No. 027334N

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

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(Vipul Kumar Srivastava)
Company Secretary
Membership No. A-26231

Place : New Delhi
Date : 4th May, 2021



1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1.0 Company Overview

Morepen Laboratories Limited ("the Company") is a Public limited company incorporated and domiciled in India and has its listing on the BSE Limited and National Stock Exchange of India Limited. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The Company is in the business of manufacturing, producing, developing and marketing a wide range of Active Pharmaceutical Ingredients (APIs), branded and generic formulations and also the Home Health products. The Company has its manufacturing locations situated in the state of Himachal Pradesh with trading and other incidental and related activities extending to both domestic and global markets.

1.1 Basis for preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on May 4, 2021.

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

Operating Cycle

Based on the nature of products/activities of the company and normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.2 Use of Estimates and Judgements

The presentation of financial statements in

conformity with Ind AS requires the management of the company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported balances of assets and liabilities, disclosures of contingent assets and liabilities as at the date of financial statements and the reported amount of revenues and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provisions for income taxes, useful life of depreciable assets and provisions for impairments & others.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

1.3 Property, Plant and Equipment (PPE)

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

- a) Free hold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected significant costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

- b) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.
- c) Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- d) The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.4 Intangible Assets and Amortisation

Internally generated Intangible Assets - Research and Development expenditure

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset and/or benefits are expected over more than one period, otherwise such expenditure is charged to the Statement of Profit and Loss.

Expenditure providing benefits for more than one period is amortised proportionately over the periods during which benefits are expected to occur.

Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

1.5 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life

and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

- a) Depreciation on fixed assets is provided on straight-line method at the rates prescribed by the schedule II of the Companies Act, 2013 and in the manner as prescribed by it except assets costing less than ₹5000/- on which depreciation is charged in full during the year.
- b) Intangible assets are amortized over their respective individual estimated useful life on straight line basis, commencing from the date the asset is available to the company for its use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.

1.6 Valuation of inventories

Stocks of raw materials and other ingredients have been valued on First in First Out (FIFO) basis, at cost or net realizable value whichever is less, finished goods and stock-in-trade have been valued at lower of cost and net realizable value, work-in-progress is valued at raw material cost up to the stage of completion, as certified by the management on technical basis. Goods in transit are carried at cost.

1.7 Foreign Currency Transactions / Translations

- i) Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.
- ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
- iii) Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign



currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

- iv) Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.
- v) In case of long term monetary items outstanding as at the end of year, exchange differences arising on settlement / restatement thereof are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.

1.8 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

1.9 Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of minimum lease payments at the inception of lease, whichever is lower. Lease under which the risks and rewards incidental to ownership are not transferred to lessee, is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term.

2.0 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a

financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

i) Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

ii) Subsequent measurement

a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair

value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

d) Investments in subsidiaries, joint ventures and associates

The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

e) Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

iv) Fair value measurement of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

2.1 Impairment of Assets

i) Financial Assets

In accordance with Ind AS 109, the company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

ii) Non-Financial Assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The impairment loss is recognised as an



expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

2.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- a) Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is net of returns, trade discounts, Goods and Services Tax (GST).

Provisions for rebates, discount and return are estimated and provided for in the year of sales and recorded as reduction of revenue.

- b) Dividend income is accounted for when the right to receive the income is established.

2.3 Interest

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying

amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.4 Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be

available against which the deductible temporary differences and tax losses can be utilized.

Pursuant to Taxation Laws (Amendment) Ordinance 2019, the company has opted to pay Income Tax as provided under Section 115BAA of the Income Tax Act, 1961.

2.5 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.6 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

2.7 Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as at beginning of the period, unless they have been issued at a later date.

2.8 Employee Retirement benefits
i) Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

ii) Post – employment benefits
Defined contribution plans –

Retirement benefits in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans –
Gratuity

The company has an obligation towards



gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity payment plan provides for a lump sum payment to the vested employees at retirement, death, incapacitation while in employment or on termination of employment of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of service.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. Re-measurements comprising of actuarial gains and losses, are recognised in other comprehensive income which are not reclassified to profit or loss in the subsequent periods.

**iii) Long – term employee benefits
Leave Encashment**

The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

2.9 Segment Reporting

The company operates in one reportable business segment i.e. "Pharmaceuticals".

3.0 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

2. PROPERTY, PLANT AND EQUIPMENT

I) TANGIBLE ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION/AMORTIZATION		CARRYING VALUE	
	As at	(Disposals)/	As at	Deductions/	As at	As at
	01.04.2020	Adjustments	31.03.2021	For the year	31.03.2021	31.03.2020
Land	143.03	-	143.03	-	-	143.03
Buildings	7661.76	264.13	7925.89	188.69	3,846.29	4079.60
Plant & Machinery	53459.00	1456.56 (14910.26)*	40005.30	2101.82 (14910.26)	32,097.42	7907.88
Furnitures & Fixtures	343.74	77.54	421.28	14.26	271.03	150.25
Vehicles	689.66	104.47 (9.37)	784.76	66.84 (8.90)	390.03	394.73
Office Equipments	307.62	76.09	383.71	61.69	270.66	113.05
Total	62604.81	1978.79 (14919.63)	49663.97	2433.30 (14919.16)	36875.43	12788.54
Previous Year	76167.76	1664.43 (15227.38)	62604.81	2963.56 (15227.38)	49361.29	13243.52

II) CAPITAL WORK IN PROGRESS

Buildings	-	92.29	-	-	-	92.29
Plant & Machinery	-	103.34	-	-	-	103.34
Total	-	195.63	-	-	-	195.63
Previous Year	-	-	-	-	-	-

III) GOODWILL

Goodwill	2.80	-	(2.80)	-	(2.80)	-
Total	2.80	-	(2.80)	-	(2.80)	-
Previous Year	2.80	-	2.80	0.56	-	2.80

IV) OTHER INTANGIBLE ASSETS

Computer Software	201.84	42.14	-	243.98	174.00	22.61	196.61	47.37	27.84
Customer Acquisition Cost	1,345.05	1708.75 (1345.05)	1708.75	355.12 (1345.05)	142.40	1566.35	212.72		
Total	1546.89	1750.89 (1345.05)	1952.73	377.73 (1345.05)	339.01	1613.72	240.56		
Previous Year	1543.30	3.71 (0.12)	1546.89	479.27 (0.12)	1,306.33	240.56			
GRAND TOTAL									
Current year	64154.50	3925.31 (16267.48)	51812.33	2811.03 (16267.01)	37214.43	14597.89	13484.08		
Previous Year	77713.86	1668.14 (15227.50)	64154.50	3443.39 (15227.50)	50670.42	13484.08			

Notes :-

- Customer Acquisition Cost represents amount spent for the expansion of product markets and increase in customer reach.
- *Old machinery no longer in use and fully depreciated, written off during the year.



(₹ in Lakhs)

	As at 31.03.2021	As at 31.03.2020
3. INVESTMENTS (NON-CURRENT)		
Trade Investments (At Cost)		
A. Investment in Equity Instruments (Unquoted)		
Subsidiary Companies		
i) Dr. Morepen Limited		
4,06,79,500 (Previous Year 4,06.79,500) Equity shares of ₹10/- each fully paid up	11747.25	11747.25
ii) Morepen Inc.		
9,400 (Previous Year 9,400) fully paid Shares of Common Voting Stocks	22.23	22.23
	<u>11769.48</u>	<u>11769.48</u>
Non-Trade Investments (At Cost)		
A. <u>Investment in Mutual Funds (Quoted)</u>		
5641 Units (Previous Year : 5641) of ICICI Prudential Bluechip Fund	15.25	15.25
41929 Units (Previous Year : 41929) of Kotak Standard Multicap Fund	15.25	15.25
24159 Units (Previous Year : 24159) of Franklin India Prima Fund	17.50	17.50
10939 Units (Previous Year : 10939) of Canara Robeco Equity Fund	15.00	15.00
5034 Units (Previous Year : 5034) of HDFC Equity Fund	30.00	30.00
14921 Units (Previous Year : 14921) of Nippon India Multi Cap Fund	15.00	15.00
37 Units (Previous Year : 37 Units) of Aditya Birla Sun Life Equity Fund	0.25	0.25
120 Units (Previous Year : 120 Units) of Aditya Birla Sun Life Frontline Equity Fund	0.25	0.25
	<u>108.50</u>	<u>108.50</u>
Market Value of Quoted Investments as on 31.03.2021 - ₹ 130.69 Lakhs.		
Aggregate amount	<u>11877.98</u>	<u>11877.98</u>

4. LOANS

	Current Portion		Non Current Portion	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Unsecured				
(Considered good)				
Loans to Employees	27.44	35.02	6.05	6.80
	<u>27.44</u>	<u>35.02</u>	<u>6.05</u>	<u>6.80</u>

(₹ in Lakhs)

	As at 31.03.2021	As at 31.03.2020
5. OTHER NON CURRENT ASSETS		
Unsecured		
Capital Advances (Considered good) *	8509.02	5771.27
Leasehold Land Prepayments	25.34	25.34
Prepaid (Deffered)Expenses for Employee Benefit	1.97	2.69
Security Deposits	452.32	204.45
	<u>8988.65</u>	<u>6003.75</u>
Includes-*		
(i) ₹5771.27 Lakhs (Previous year - ₹5771.27 Lakhs) towards advance for acquisition of brands/ new business opportunity. Due to persisting uncertainty on account of global pandemic, COVID-19, the company's efforts are taking some additional time in exploring all possible business combination. The company hopes to finalise the matter in the coming year.		
(ii) ₹2596.38 Lakhs (Previous year - Nil) paid to related parties for acquisition of land for expansion of manufacturing facilities of the company. An agreement for acquisition of land was entered into with these parties for a sum of ₹2840.00 Lakhs.		
6. INVENTORIES		
Raw Materials	6662.77	7151.94
Work-in-progress	4365.80	1957.31
Finished goods	3683.58	2831.81
Stock -in-trade	1979.75	1094.23
Goods in transit	8.29	3.51
Stores and spares	260.81	208.46
	<u>16961.00</u>	<u>13247.26</u>
The inventory of stocks, stores and spares has been taken, valued and certified by the management.		
Breakup of Inventory		
i) Raw materials -		
API & Intermediates	3954.50	5983.65
Home Health Formulations	2062.61	544.14
	<u>645.66</u>	<u>624.15</u>
Total Raw Materials	<u>6662.77</u>	<u>7151.94</u>
ii) Work in Progress -		
API & Intermediates	3962.91	1819.32
Home Health Formulations	320.52	42.41
	<u>82.37</u>	<u>95.58</u>
Total Work -in -progress	<u>4365.80</u>	<u>1957.31</u>
iii) Finished goods -		
API & Intermediates	2544.70	2170.47
Home Health Formulations	957.49	530.25
	<u>181.39</u>	<u>131.09</u>
Finished Goods Inventory	<u>3683.58</u>	<u>2831.81</u>



(₹ in Lakhs)

	As at 31.03.2021	As at 31.03.2020
iv) Stock in trade -		
API & Intermediates	-	39.43
Home Health Formulations	1691.15	841.66
	288.60	213.14
Stock in trade Inventory	1979.75	1094.23
7. TRADE RECEIVABLES		
Unsecured -		
Considered good	15552.14	12140.53
Considered Doubtful	443.29	121.21
Less : Allowance for doubtful debts	(443.29)	(121.21)
	15552.14	12140.53
8. CASH AND CASH EQUIVALENTS		
<u>Balances with banks</u>		
Current Accounts	4035.70	1260.76
Cash in hand	11.74	18.35
	4047.44	1279.11
9. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Term Deposit - Towards Margin Money & Security against Overdraft, Bills discounting and LC facilities (Refer Note No. 13)	2607.75	2498.03
Guarantees	42.98	26.10
	2650.73	2524.13
10. OTHER FINANCIAL ASSETS		
Interest accrued but not due	58.20	56.37
	58.20	56.37
11. OTHER CURRENT ASSETS		
Unsecured considered good, unless otherwise stated		
Advances with Suppliers & Others*	6704.70	3842.48
Leasehold Land Prepayments	0.36	0.36
Balance with Government Authorities	1984.98	939.14
Security Deposits	235.12	112.95
Export Incentives Receivable	824.48	401.35
Advances to Employees	135.27	115.71
Prepaid Expenses	97.44	131.57
	9982.35	5543.56

* Includes-

- Sum of ₹379.73 Lakhs (P.Y. - ₹28.27 Lakhs) paid to fixed deposit holders towards cancellation of 33,54,500 Equity Shares (P.Y. - 2,64,909). (Refer Note No. 12 G)

- Sum of ₹166.66 Lakhs paid to banks in settlement of debts pending adjustment for complete compliance of settlement.

12. SHARE CAPITAL

A. Equity Share Capital

	As at March 31, 2021		As at March 31, 2020	
	Nos. of Shares	Amount (₹/ Lakhs)	Nos. of Shares	Amount (₹/ Lakhs)
Authorised				
Equity Shares of ₹ 2/- each	650000000	13000.00	450000000	9000.00
Issued and Subscribed				
Equity Shares of ₹ 2/- each	449826203	8996.53	449826203	8996.53
Paid up				
Equity Shares of ₹2/- each	449826203	8995.86	449826203	8995.86

Reconciliation of the numbers and amount of Equity shares -

For the year ended	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount (₹/ Lakhs)	Nos.	Amount (₹/ Lakhs)
Outstanding at beginning of the year	449826203	8995.86	449826203	8995.86
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Outstanding at the end of year	449826203	8995.86	449826203	8995.86

B. Shareholders holding more than 5% shares -

Equity Shares

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Pinfold Overseas Ltd.	38530000	8.57	38530000	8.57

C. Rights, preferences and restrictions attached to each class of Shares and terms of redemption -

- i) The company has equity shares having a par value of ₹2/- each. Every member of the Company holding equity shares shall be entitled to vote on every resolution placed before the Company and their voting right on poll shall be in proportion to their share in the paid-up equity share capital of the Company.
- ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of preferential amounts. The distribution will be in the proportion of the number of equity shares held by the shareholders.

D. During last 5 years immediately preceding the balance sheet date, no Equity Share has been issued pursuant to any contract without payment being received in cash. Further the company has neither allotted any share by way of bonus shares, nor it had bought back any Equity during aforesaid period of 5 years.



E. Disclosure about unpaid calls -

(₹ in Lakhs)

Unpaid Calls	As at 31.03.21	As at 31.03.20
By Directors & Officers	-	-
By Others	0.66	0.66

F. No shares have been forfeited by the company during the year.

G. Applications for 58,95,549 Equity Shares were submitted for cancellation with the company pursuant to Hon'ble National Company Law Tribunal (NCLT) order dated 12.03.2018. Fixed deposit dues in respect 33,54,500 equity shares have been paid as on date and balance are being paid upon due verification. The company has taken up with the stock exchanges and depositories, the matter of cancellation of these 33,54,500 equity shares. It has insignificant impact on EPS and current assets.

Necessary entries for the cancellation of equity capital and reversal of reserves and surplus for ₹67.09 Lakhs and ₹312.64 Lakhs respectively, will be given effect on the receipt of guidance from stock exchanges and depositories. The total sum of ₹379.73 Lakhs, comprising of debit balance of share capital and reserves & surplus, is appearing under head - other current assets.

13. BORROWINGS

(₹ in Lakhs)

Long Term	Current Portion		Non Current Portion	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Secured				
Term Loans – Vehicles	89.30	114.63	82.83	92.46
Total	89.30	114.63	82.83	92.46

I. Above loans represent vehicle loans, repayable on monthly basis, are secured by way of hypothecation of specific assets purchased under the hire purchase agreement.

Particulars	Current Portion	Non Current Portion			Total Loan
		2021-22	2022-23	2023-24	
Year of Repayment	2021-22	2022-23	2023-24	Total	
Annual Repayment Amount (₹/Lakhs)	89.30	60.72	22.11	82.83	172.13
Annual Rate of Interest (%)	7.60%–10.95%	7.60%–10.95%	7.60%–10.95%		

(₹ in Lakhs)

	As at 31.03.2021	As at 31.03.2020

II. Current Portion of Long Term Borrowings is appearing under the head Other Financial Liabilities. (Refer Note No. 17)

Short Term

Secured

Bank Overdraft and Bill Discounting facility against term deposit (Refer Note No. 9)	1532.44	1135.95
Total	1532.44	1135.95
Annual rate of interest chargeable on aforesaid facilities ranges up to 8.5 % .		

14. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Security Deposits from Business Associates & Others	205.19	205.19
	<u>205.19</u>	<u>205.19</u>

15. PROVISIONS

(₹ in Lakhs)

	Current Portion		Non Current Portion	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Provision for Employees' Benefits (Unfunded) -				
Gratuity	236.56	146.05	1799.22	1692.84
Leave Encashment	123.67	79.34	601.92	545.17
Total	360.23	225.39	2401.14	2,238.01

(₹ in Lakhs)

	As at 31.03.2021	As at 31.03.2020

16. TRADE PAYABLES

Total outstanding dues of micro small and medium enterprises	210.05	135.52
Total outstanding dues of creditors other than micro small and medium enterprises	19023.27	15702.49
	<u>19233.32</u>	<u>15838.01</u>

No interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

17. OTHER FINANCIAL LIABILITIES -CURRENT

Current maturities of Long Term Borrowings (Refer note no. 13)	89.30	114.63
Preference Shares	11965.20	11965.20
Accumulative Dividend on Preference Shares	979.16	930.24
Accrued Salaries and Benefits	1463.07	1131.29
Others*	1578.29	846.03
	<u>16075.02</u>	<u>14987.39</u>

Under the previous GAAP, Preference Shares Capital was treated as part of equity and carried at cost. Redeemable preference shares contain a contractual obligation to deliver cash to the holders. Under Ind As the same is classified as liability. Dividend on cumulative preference shares has accordingly shown as part of finance cost.

*Includes-

₹658.17 Lakhs payable to fixed deposit holders against due verification and surrender of their equity shares during the year.

A. Preference Shares

The Preference Share Capital of ₹11965.20 Lakhs comprises of preference shares amounting to ₹11265.20 Lakhs, issued to banks and financial institutions, in satisfaction of their outstanding debt under Corporate Debt Restructuring ('CDR') Scheme during the financial year ending March 2008. The detailed break up is as under -

- I. 9735201, 0.01% Optionally Convertible Preference Shares ('OCPS') of ₹100/- each amounting to ₹9735.20 Lakhs
- II. 1530000, 0.01% Cumulative Redeemable Preference Shares ('CRPS') of ₹100/- each amounting to ₹1530.00 Lakhs



The aforesaid preference shares are pending for redemption on account of unavailability of distributable profits in terms of Section 55(2) (a) read-with Section 123 of Companies Act, 2013 and its rules made thereunder. The company is exploring suitable options to deal with matter of redemption of outstanding preference shares including issuance of equity shares subject to necessary statutory approvals including approvals of preference shareholders. The majority of preference shareholders are agreeable to the company's aforesaid proposal.

	As at March 31, 2021		As at March 31, 2020	
	Nos. of Shares	Amount (₹/Lakhs)	Nos. of Shares	Amount (₹/Lakhs)
Authorised Preference Shares of ₹100/- each	12000000	12000.00	12000,000	12000.00
Issued, Subscribed & paid up Preference Shares of ₹100/- each	11965201	11965.20	11965201	11965.20
0.01% Optionally Convertible	9735201	9735.20	9735201	9735.20
0.01% Cumulative Redeemable	1730000	1730.00	1730000	1730.00
9.75% Cumulative Redeemable	500000	500.00	500000	500.00
	11965201	11965.20	11965201	11965.20

Reconciliation of the numbers and amount of Preference shares

	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount (₹/Lakhs)	Nos.	Amount (₹/Lakhs)
Outstanding at beginning of the year	11965201	11965.20	11965201	11965.20
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back/ redeemed during the year	-	-	-	-
Outstanding at the end of year	11965201	11965.20	11965201	11965.20

B. Rights, preferences and restrictions attached to each class of Shares and terms of redemption -

- i) The company has preference shares of ₹100/- each. Every preference share holder of the company shall be entitled to vote on resolutions placed before the Company which directly affect the rights attached to their shares and any resolution for winding up of the Company or for repayment or reduction of capital and their voting right on poll shall be in proportion to their share in the paid-up preference share capital of the Company. However, where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all resolutions placed before the Company and the proportion of voting rights of equity shareholders to the voting rights of preference shareholders shall be in proportion to their paid up capital.
- ii) All 9735201, 0.01% Optionally Convertible Preference Shares, had already become due for redemption/conversion in the financial year 2014-15 and could not be redeemed due to unavailability of surplus.

- iii) Out of 1730000, 0.01% Cumulative Redeemable Preference Shares, preference shares comprising of 200000 Shares amounting to ₹200.00 Lakhs were due for redemption in financial year ending 31.03.2012, whereas 50% of 1530000 Shares amounting to ₹765.00 Lakhs were due for redemption in the financial year ending March 31, 2017 and balance 50% were due for redemption in the financial year ending March 31, 2018.
- iv) 500000, 9.75% Cumulative Redeemable Preference shares amounting to ₹500.00 Lakhs had been due for redemption since March 2004, however, could not be redeemed because of unavailability of surplus. The subscriber has filed a legal case against the company for the recovery of the sum invested as well as dividend thereon. The company is contesting the claim of the subscriber at appropriate forum.
- v) On account of unavailability of distributable profits in terms of Section 55(2)(a) and Section 123 of Companies Act, 2013, the company had been unable to meet the redemption and dividend payment terms for these preference shares.

C. Shareholders holding more than 5% shares -

a) 9735201, 0.01% Optionally Convertible Redeemable Shares -

Name of Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Bank of Nova Scotia Stressed Assets Stabilisation Fund (SASF)	1179000	12.11	1179000	12.11
EXIM Bank Ltd.	961044	9.87	961044	9.87
SICOM Ltd.	916333	9.41	916333	9.41
Punjab National Bank	829463	8.52	829463	8.52
Oriental Bank of Commerce	671522	6.90	671522	6.90
Dena Bank	623828	6.41	623828	6.41
UCO Bank	593936	6.10	593936	6.10
	515900	5.30	515900	5.30

b) 1730000, 0.01% Cumulative Redeemable Shares -

Name of Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Oriental Bank of Commerce	1000000	57.80	1000000	57.80
Axis Bank Ltd.	500000	28.90	500000	28.90
Blue Sky Securities Pvt. Ltd.	200000	11.56	200000	11.56

c) 5,00,000, 9.75% Cumulative Redeemable Shares -

Name of Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Jammu and Kashmir Bank Ltd.	500000	100	500000	100

(₹ in Lakhs)

As at 31.03.2021 As at 31.03.2020

18. OTHER CURRENT LIABILITIES

Advance received from Customers	118.58	620.62
Direct Taxes	237.97	118.43
Indirect Taxes	5.88	12.45
	362.43	751.50



	(₹ in Lakhs)	
	As at 31.03.2021	As at 31.03.2020
19. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
a) Contingent Liabilities		
Claims against the Company not acknowledged as debts (routine petty matters - Amount not ascertained)	-	-
Guarantees	10.36	8.00
Other money for which company is contingently liable	82.35	118.50
	<u>92.71</u>	<u>126.50</u>
b) Other commitments	243.62	-
Capital commitments	<u>336.33</u>	<u>126.50</u>
	(₹ in Lakhs)	
	Year Ended 31.03.2021	Year Ended 31.03.2020
20. REVENUE FROM OPERATIONS		
Sale of products		
Domestic	62506.94	43662.42
Exports	47665.30	34323.46
Total	<u>110172.24</u>	<u>77985.88</u>
Other Operating Revenues		
Export Incentives	1007.91	1212.86
Other items	62.14	-
	<u>1070.05</u>	<u>1212.86</u>
	<u>111242.29</u>	<u>79198.74</u>
Break-up of revenue from sale of products (net of taxes)		
Manufactured goods		
API & Intermediates	68299.43	47351.50
Home Health	18589.82	12013.59
Formulations	6459.73	5609.21
Sale of Manufactured Goods - (A)	<u>93348.98</u>	<u>64974.30</u>
Traded Goods		
API & Intermediates	-	43.23
Home Health	10146.94	4821.20
Formulations	6676.32	8147.15
Total Sales of Stock in Trade - (B)	<u>16823.26</u>	<u>13011.58</u>
Total Sales Revenues (A+B)	<u>110172.24</u>	<u>77985.88</u>
21. OTHER INCOME		
Interest Income	213.43	419.62
Others (includes ₹5.00 Lakhs realised against sale of Trade Mark 'Dr. Morepen' to Wholly owned Subsidiary Dr. Morepen Limited)	963.95	522.10
	<u>1177.38</u>	<u>941.72</u>
22. COST OF MATERIALS CONSUMED		
Raw Materials	57266.99	37999.33
Packing Materials	4525.66	3322.54
	<u>61792.65</u>	<u>41321.87</u>

	(₹ in Lakhs)	
	Year Ended 31.03.2021	Year Ended 31.03.2020
Break up of cost of Raw Material consumed		
API & Intermediates	46052.35	30477.63
Home Health	11421.65	7231.53
Formulations	4318.65	3612.71
Total	<u>61792.65</u>	<u>41321.87</u>
23. PURCHASE OF STOCK-IN-TRADE		
API & Intermediates	-	83.48
Home Health	10206.02	4761.57
Formulations	5861.24	6700.26
Total	<u>16067.26</u>	<u>11545.31</u>
24. CHANGE IN INVENTORY		
Opening Balance -		
Work-in-progress	1957.31	2192.57
Finished goods	2831.81	1839.68
Stock-in-trade	1094.23	1131.55
Stores and spares	208.46	169.61
	<u>6091.81</u>	<u>5333.41</u>
Closing Balance -		
Work-in-progress	4365.80	1957.31
Finished goods	3683.58	2831.81
Stock-in-trade	1979.75	1094.23
Stores and spares	260.81	208.46
	<u>10289.94</u>	<u>6091.81</u>
Change in Inventory	<u>(4198.13)</u>	<u>(758.40)</u>
25. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	11213.17	8755.48
Contribution to provident fund/ ESI	319.57	323.83
Gratuity and Leave Encashment	419.09	406.45
Staff Welfare	368.30	321.43
	<u>12320.13</u>	<u>9807.19</u>
26. FINANCE COST		
Interest expense (includes a sum of ₹53.13 Lakhs (Previous Year ₹2.47 Lakhs towards interest paid/provided on fixed deposits repayments)	129.87	147.83
Dividends on Cumulative Preference Shares (refer Note No. 17)	48.92	48.92
	<u>178.79</u>	<u>196.75</u>
27. OTHER EXPENSES		
Consumption of Stores and spare parts	623.27	453.32
Power and Fuel	1300.26	1255.79
Rent	424.73	375.91
Repairs to buildings	89.67	93.18
Repairs to machinery	318.49	312.50
General Repairs	325.46	195.27
Insurance	118.02	59.13
Research & Development	561.28	253.45



	(₹ in Lakhs)	
	Year Ended 31.03.2021	Year Ended 31.03.2020
Quality Control & Testing Charges	563.44	455.15
Rates and Taxes	278.55	167.29
Legal and Professional Expenses	1022.06	1349.07
Travelling Expenses	800.19	1045.96
Selling and Distribution Expenses	4409.11	3575.37
Miscellaneous Expenses	3188.57	1244.78
(includes a sum of ₹1394.76 Lakhs (Previous Year ₹74.95 Lakhs) towards settlement of fixed deposit dues, pursuant to NCLT order dated 12.03.2018)		
	<u>14023.10</u>	<u>10836.17</u>
28. PAYMENTS TO AUDITORS (excluding GST)		
Statutory Auditors -		
Audit Fee	30.00	30.00
Tax Audit Fee	6.00	6.00
Tax Matters	4.00	4.00
Certification	0.99	1.43
Others	1.53	1.53
Total	<u>42.52</u>	<u>42.96</u>
Cost Auditors-		
Audit Fees	2.00	2.00
Others	2.50	2.50
Total	<u>4.50</u>	<u>4.50</u>
GST Auditors -		
Audit Fee	11.35	5.75
Certification	0.33	2.13
Total	<u>11.68</u>	<u>7.88</u>
29. PRIOR PERIOD ITEMS		
Expenses include ₹32.73 Lakhs (Previous Year ₹66.72 Lakhs) as expenses (net) relating to earlier years.		
30. DISCLOSURES ABOUT IMPORTS, EXPENDITURE IN FOREIGN CURRENCY, RAW MATERIAL CONSUMPTION & EARNINGS IN FOREIGN EXCHANGE -		
A. VALUE OF IMPORTS ON CIF BASIS		
Raw Materials	35239.75	22569.58
Stock-in-trade	6925.19	3710.76
Capital Goods	122.17	86.74
	<u>42287.11</u>	<u>26367.08</u>
B. EXPENDITURE IN FOREIGN CURRENCY		
Purchase of Capital Goods/ Travel/ Commission	756.39	638.31
	<u>756.39</u>	<u>638.31</u>
C. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL CONSUMED AND PERCENTAGE THEREOF		
Imported	35420.88	23712.19
Indigenous	26371.77	17609.68
	<u>61792.65</u>	<u>41321.87</u>
% Imported	57.32	57.18
% Indigenous	42.68	42.82
	<u>100.00</u>	<u>100.00</u>

	(₹ in Lakhs)	
	Year Ended 31.03.2021	Year Ended 31.03.2020
D. EARNINGS IN FOREIGN EXCHANGE		
Exports of Goods on F.O.B. basis	47409.37	34075.94
	<u>47409.37</u>	<u>34075.94</u>

31. SEGMENT REPORTING

In accordance with Indian Accounting Standard, Ind AS-108 "Operating Segment", segment information has been given in consolidated financial statements of the company, and therefore, no separate disclosure on segment information is given in these financial statements.

32. RELATED PARTY DISCLOSURES

Disclosure as required by Indian Accounting Standard "Related Party Disclosures" (Ind AS 24) as notified u/s 133 of Companies Act, 2013 are as under:

Related Parties

1. Subsidiary Companies	
Morepen Inc.	Overseas Company
Dr. Morepen Limited	Domestic Company
Total Care Limited	Domestic Company
2. Key Management Personnel	Mr. Sushil Suri, Chairman & Managing Director Mr. Sanjay Suri, Whole Time Director Dr. A.K. Sinha, Whole Time Director Mr. Ajay Sharma, Chief Financial Officer Mr. Vipul Kumar Srivastava, Company Secretary
3. Relatives of Key Management personnels with whom the company has any transaction during the year	Mr. Varun Suri, Mr. Anubhav Suri, Mr. Kushal Suri, Mrs. Sunita Suri, Mrs. Mamta Suri, Mrs. Shalu Suri, Mrs. Sakshi Suri, Mrs. Suhina Suri, Mrs. Bavleen Suri, Mr. Rajas Suri, Mrs. Simmi Bhasin, Mrs. Sonia Bajaj, Mrs. Amita Sharma.
4. Entities controlled or jointly controlled by a person or a close members of that person's family having control or joint control over the reporting entity -	Brook Investments & Financial Services Pvt. Ltd. Domestic Company Concept Credits & Consultants Pvt. Ltd. Domestic Company Epitome Holdings Private Limited Domestic Company Scope Credits & Financial Services Private Limited Domestic Company Mid-Med Financial Services & Investments Pvt. Ltd. Domestic Company React Investments & Financial Services Pvt. Ltd. Domestic Company Solitary Investments & Financial Services Pvt. Ltd. Domestic Company Square Investments & Financial Services Pvt. Ltd. Domestic Company Solace Investments & Financial Services Pvt. Ltd. Domestic Company Seed Securities & Services Private Limited Domestic Company Liquid Holdings Private Limited Domestic Company
5. Entities over which key management personnel/ or Relatives of key management personnel are able to exercise significant influence with which the company has any transactions during the year	Edit 25 Lifestyle Private Limited Mr. Naman Joshi Vignet Trading Pvt. Ltd. Morepen Overseas Pvt. Ltd.



Transactions with related parties -

Particulars	Nature of transaction	(₹ in Lakhs)
1. Subsidiary Companies	Sale of inventories	827.85
	Sale of Brands	5.00
	Purchase of inventories	362.29
	Amount receivable as on 31.03.2021	425.69
	Maximum amount outstanding	1063.03
2. Entities controlled or jointly controlled by a person or a close members of that person's family having control or joint control over the reporting entity having any transactions during the year	Receipt of share warrant subscription money	4375.00
	Receipt of services	56.69
	Amount payable as on 31.03.21	61.57
	Maximum amount outstanding	61.57
3. Key Management Personnel	Advance paid for Land	222.32
	Remuneration	1043.68
	Amount Payable as on 31.03.21	130.16
	Maximum amount outstanding	173.54
4. Entities over which key management personnel/ or Relatives of key management personnel are able to exercise significant influence with which the company has any transactions during the year	Receipt of services	853.62
	Amount payable as on 31.03.21	57.44
	Maximum amount outstanding	466.72
5. Relatives of key Management personnnels with whom the company has any transaction during the year	Advance paid for Land	2374.06
	Remuneration	976.88
	Maximum Amount payable as on 31.03.21	425.33
	Maximum amount outstanding	481.79

33. EARNING PER SHARE

Particulars	Year Ended	
	31.03.2021	31.03.2020
Profit for the year (₹ in Lakhs)	9424.84	3233.31
Earnings per share in rupees (face value ₹2/- per share)-		
Weighted average number of equity shares used in computing basic EPS	449826203	449826203
Basic EPS (₹) - (Face value of ₹2/- per share)	2.10	0.72
Weighted average number of equity shares used in computing diluted EPS	451072778	449826203
Diluted EPS (₹) - (Face value of ₹2/- per share)	2.09	0.72

34. EMPLOYEE BENEFITS

Disclosures as per Accounting Standard, Ind AS -19 'Employee Benefits' is as under -

(A) Disclosures for Defined Contribution Plans -

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Employer's Contribution to Provident Fund	279.99	279.78
Employer's Contribution to Employees State Insurance	39.58	44.06

(B) Disclosures for Defined Benefit Plans - Unfunded

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
I Change in the present value of obligation:				
Present Value of Obligation at beginning of the year	1838.90	1422.39	624.50	477.13
Add: Interest Cost	133.72	122.94	52.75	42.69
Add: Current Service Cost	144.94	113.91	223.67	62.77
Less:- Benefit Paid	109.03	37.59	195.07	45.25
Add: Actuarial loss/(gain) on obligations	27.26	217.25	19.74	87.16
Present Value of Obligation as at year end	2035.79	1838.90	725.59	624.50
II Change in the fair value of plan Assets:				
Fair Value of Plan Assets at the beginning of year	-	-	-	-
Add : Expected Return on Plan Assets	-	-	-	-
Add : Contributions	-	-	-	-
Less: Benefits Paid	-	-	-	-
Fair Value of Plan Assets at year end	-	-	-	-
III Expense recognized in the Statement of Profit & Loss				
Current Service Cost	144.94	113.91	223.67	62.77
Add: Interest Cost	133.72	122.94	52.75	42.69
Less: Expected Return on plan assets	-	-	-	-
Less: Settlement Credit	-	-	155.72	23.02
Add: Net actuarial loss/(gain) recognised	27.26	217.25	19.74	87.16
Total expenses recognized in the statement of profit & loss	305.92	454.10	140.44	169.60
IV The following table sets out the assumptions used in actuarial valuation of gratuity and leave encashment-				
Assumptions	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Discount Rate	6.90%	6.60%	7.00%	6.60%
Salary Escalation Rate	5.00%	5.00%	5.00%	5.00%
Expected Return on Assets	-	-	-	-
Employee Turnover rates	3.00%	3.00%	3.00%	3.00%
Expected average remaining working lives of employees (years)	20	21	20	21

35. IMPAIRMENT

It is the view of management that there are no impairment conditions that exist as on 31st March, 2021. Hence, no provision is required in the accounts for the year under review.



36. INCOME TAX

- a) Deferred tax asset of ₹266.37 Lakhs in respect of sum of ₹1058.35 Lakhs comprising of Net taxable timing differences of ₹1603.17 Lakhs (liability) and Unused tax losses of ₹2661.52 Lakhs (Asset) as provided by Indian Accounting Standard (Ind-As 12) "Income Taxes" notified u/s 133 of The Companies Act, 2013, is not recognised as a matter of prudence.

37. UTILISATION OF PROCEEDS OF PREFERENTIAL ALLOTMENT

The utilisation of warrant subscription money of ₹4375.00 Lakhs is as under -

Particulars	Amount (₹/ Lakhs)
Payment towards acquisition of land for API facility expansion	1901.63
Working Capital	285.87
Balance in Hand	2187.50
Total	4375.00

38. OTHER SIGNIFICANT DISCLOSURES

- a) In the opinion of directors, all assets stated otherwise have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts and the provision for depreciation and for all known liabilities is adequate and considered reasonable.
- b) Balances of Non-current liabilities, Current liabilities, Long terms loans and advances, Trade receivables, Short term loans and advances and banks are subject to confirmation.
- c) Sales Tax assessments for earlier years are in progress. Demand, if any, shall be known & accounted for, on the completion of assessments.
- d) Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout.

39. Corporate Social Responsibility (CSR)

- a) During the financial year ended March 31, 2021, CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof was ₹64.53 Lakh (Previous year ₹51.84 Lakh).
- b) During the year the Company has made an expenditure of ₹65.02 Lakh (Previous year ₹51.98 Lakh) related to CSR.
- c) Details of CSR expenditure incurred during the year ended March 31, 2021 is as below :-

	(₹/ Lakh)	
	31.03.2021	31.03.2020
CSR activity		
- Promotion of Healthcare	63.02	51.98
- Education	2.00	-
Total	65.02	51.98

Independent Auditor's Report

To the Members of Morepen Laboratories Limited
Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Morepen Laboratories Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,

2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



S. No.	Key Audit Matter	Auditor's Response
1	<p>In the Scheme of Arrangement & Compromise under Section 391 of the Companies Act, 1956 as approved by the Hon'ble High Court of Himachal Pradesh vide its Order dated August 4, 2009, the Company allotted 9,24,90,413 Equity Shares to the fixed deposit holders in settlement of their dues. The Hon'ble NCLT vide its judgment dated 12th March 2018 dismissed the Company's petition seeking approval of the Scheme and stated that the order will not affect the allotment of the shares to the FD holders who have traded the shares to the third parties or transferred the allotted shares and to the balance FD holders (eligible FD holders), the company shall pay the outstanding amount as per the scheme approved by the Company Law Board (CLB). The appeal preferred by the company against the said order of NCLT, is dismissed by Hon'ble National Company Law Appellate Tribunal (NCLAT).</p> <p>Pursuant to implementation of Hon'ble National Company Law Tribunal (NCLT), Chandigarh Order dated 12.03.2018, out of 3,85,65,810 Equity Shares of ₹2/- each issued at a premium of ₹9.32 per share belonging to eligible FD holders, applications for 58,95,549 Equity Shares were submitted for cancellation with the company till 31.03.2021.</p> <p>(Refer Note No. 12G to the standalone financial statements)</p>	<p>Principal Audit Procedures</p> <p>We collected and analyzed the Scheme approved by the Company Law Board (CLB) dated 19.08.2003, Judgment of Hon'ble NCLT dated 12th March 2018, order of Hon'ble National Company Law Appellate Tribunal (NCLAT), Communication with ROC and Stock Exchanges in this regard and other relevant documents in this regard.</p> <p>The payment to eligible FD holders may impact financials of the company in the coming year/years.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we

conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder.

The respective board of directors of the entities included in the Group are responsible for maintenance

of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective board of directors of the entities included in the Group are responsible for assessing the ability of the Group to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease the operations, or has no realistic alternative but to do so.

The respective board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, 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 ability of the Group 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 consolidated 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 group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transaction and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such entities included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of foreign subsidiary named as Morepen Inc. included in consolidated financial statements whose financial

statements reflect total assets of ₹315.13 lakhs as at March 31, 2021, total revenue of ₹181.89 lakhs, total profit after tax of ₹48.72 lakhs and total comprehensive income of ₹48.72 lakhs for the year ended on that date, as considered in the consolidated financial statements. The aforesaid financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the auditor of such company.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, 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 accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of the Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the books of accounts.
- d) In our Opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issues thereunder.
- e) On the basis of the written representations received from the directors of the Holding company and its Indian subsidiaries as on 31st March 2021 taken on record by the Board of Directors of the respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March 2021 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 Group and the operating effectiveness of such controls is as per **Annexure A**.

- 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 holding company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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.

- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
- (ii) The Group has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
- (iii) During the year, the Group was not liable to transfer any amount to the Investor Education and Protection Fund.

For Satinder Goyal & Co.
Chartered Accountants
Firm's Regn. No: 027334N

S.K Goyal
(Partner)
Membership No. : 084613
UDIN : 21084613AAAAAQ3401

Date : 04th May, 2021
Place : New Delhi



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the consolidated financial statements of Morepen Laboratories Limited for the year ended 31st March 2021)

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

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Morepen Laboratories Limited (hereinafter referred to as "the Holding Company") and its Indian subsidiaries, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of directors of the holding company and its subsidiaries which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 respective 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on internal financial controls over financial reporting of the Holding company and its subsidiaries incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting of the Holding company and its subsidiaries incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us, and based

on the consideration of reports of other auditors, referred to in the Other Matters paragraph, the Holding company and its subsidiaries incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to the financial statements of foreign subsidiary named as Morepen Inc., is based solely on the reports of the auditor of such company.

For Satinder Goyal & Co.
Chartered Accountants
Firm's Regn. No: 027334N

S.K Goyal
(Partner)
Membership No. : 084613
UDIN : 21084613AAAAAQ3401

Date : 04th May, 2021
Place : New Delhi



Consolidated Balance Sheet

As at 31st March, 2021

		(₹ in Lakhs)	
		As at	As at
		31.03.2021	31.03.2020
		Note No.	
A ASSETS			
1. NON-CURRENT ASSETS			
Property Plant and Equipment	2	12928.52	13408.94
Capital Work in Progress	2	195.63	-
Goodwill	2	7447.42	7447.42
Other Intangible Assets	2	2076.54	780.72
Financial Assets			
Investments	3	108.50	108.50
Loans	4	6.05	6.80
Other Non-Current Assets	5	10372.84	7376.36
		<u>33135.50</u>	<u>29128.74</u>
2. CURRENT ASSETS			
Inventories	6	17532.57	13847.57
Financial Assets:			
Trade Receivables	7	18198.42	13768.05
Cash and Cash Equivalents	8	4138.69	1363.91
Bank Balances other than Cash and Cash Equivalents	9	2650.73	2524.13
Loans	4	27.44	35.02
Other Financial Assets	10	58.20	56.37
Other current assets	11	10073.05	5622.60
		<u>52679.10</u>	<u>37217.65</u>
TOTAL		<u>85814.60</u>	<u>66346.39</u>
B. EQUITY AND LIABILITIES			
1. EQUITY			
Equity Share Capital	12	8995.86	8995.86
Other Equity		33479.12	19410.25
		<u>42474.98</u>	<u>28406.11</u>
2. MINORITY INTEREST	13	(45.93)	(46.34)
3. NON - CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	14	82.83	92.46
Other Financial liabilities	15	383.42	367.45
Provisions	16	2539.30	2382.35
		<u>3005.55</u>	<u>2842.26</u>
4. CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	14	1532.44	1135.95
Trade Payables	17	20884.89	17230.43
Other Financial liabilities	18	16908.06	15302.68
Other Current Liabilities	19	529.51	1203.33
Provisions	16	525.10	271.97
		<u>40380.00</u>	<u>35144.36</u>
TOTAL		<u>85814.60</u>	<u>66346.39</u>
SIGNIFICANT ACCOUNTING POLICIES			
1			
NOTES ON FINANCIAL STATEMENTS			
2-34			

As per our separate report of even date For & on behalf of the Board of Directors of Morepen Laboratories Ltd.

For Satinder Goyal & Co.
Chartered Accountants
Firm Regn. No. 027334N

(CA S. K. Goyal)
Partner
Membership No. 084613

Place : New Delhi
Date : 4th May, 2021

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Ajay Sharma)
Chief Financial Officer

(Manoj Joshi)
Director
DIN : 00036546

(Vipul Kumar Srivastava)
Company Secretary
Membership No. A-26231

Consolidated Statement of Profit and Loss

For the Year Ended 31st March, 2021

		(₹ in Lakhs)	
		Year Ended	Year Ended
		31.03.2021	31.03.2020
		Note No.	
REVENUE			
Sales Revenue	21	117536.73	83960.26
Other Income		1268.91	1346.43
Revenue from operations (Net)	21	118805.64	85306.69
Other Income	22	1206.89	948.35
Total Income (I)		<u>120012.53</u>	<u>86255.04</u>
EXPENSES			
Cost of Materials Consumed	23	61792.65	41321.87
Purchases of Stock-in-Trade		20420.07	15442.69
Changes in inventories of Finished goods Work-in-progress and Stock-in-Trade		(4158.33)	(1022.71)
Employee Benefits Expense	24	13559.36	10990.60
Finance Cost	25	178.82	198.45
Depreciation and Amortization Expense	2	3028.33	3690.60
Other Expenses	26	15340.48	11722.78
Total Expenses (II)		<u>110161.38</u>	<u>82344.28</u>
Profit before Tax		<u>9851.15</u>	<u>3910.76</u>
Tax Expense			
Current Year Tax		143.41	(37.40)
Tax (Earlier year)		(1.26)	(515.47)
Profit for the Year (III)		<u>9709.00</u>	<u>3357.89</u>
Share of minority interest in Profit/ (loss)		0.41	(0.03)
Profit for the year available for majority shareholders		<u>9708.59</u>	<u>3357.92</u>
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss		10.50	(226.35)
Tax		4.22	2.29
Tax (Earlier year)		-	(37.03)
Other Comprehensive Income for the Year (Net of Tax) (IV)		<u>14.72</u>	<u>(261.09)</u>
Total Comprehensive Income for the Year (III+IV)		<u>9693.87</u>	<u>3096.83</u>
Earning per equity share (Face Value of ₹ 2/- each)	31		
(1) Basic		2.16	0.75
(2) Diluted		2.15	0.75
SIGNIFICANT ACCOUNTING POLICIES			
1			
NOTES ON FINANCIAL STATEMENTS			
2-34			

As per our separate report of even date For & on behalf of the Board of Directors of Morepen Laboratories Ltd.

For Satinder Goyal & Co.
Chartered Accountants
Firm Regn. No. 027334N

(CA S. K. Goyal)
Partner
Membership No. 084613

Place : New Delhi
Date : 4th May, 2021

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Ajay Sharma)
Chief Financial Officer

(Manoj Joshi)
Director
DIN : 00036546

(Vipul Kumar Srivastava)
Company Secretary
Membership No. A-26231



Consolidated Cash Flow Statement

For the Year Ended 31st March, 2021

	Notes No.	Year Ended 31.03.2021	Year Ended 31.03.2020
(₹ in Lakhs)			
A. CASH FLOWS FROM OPERATING ACTIVITIES :			
Profit before Tax		9851.15	3910.76
Adjustments for :			
Depreciation & Amortisation	2	3028.33	3690.60
(Profit)/Loss on Sale of Fixed Assets		(0.03)	-
Provision for Employee benefit (OCI)		(10.50)	(226.35)
Finance Cost (Net)	25	178.82	198.45
Minority Interest		(0.41)	0.03
Operating Profit before changes in Current Assets and Liabilities		13047.36	7573.49
Changes in Current Assets and Liabilities -			
Trade Receivables	7	(4430.37)	(393.36)
Loans, Bank balance other than cash & Cash equivalent and other Current Assets	4,9,10,11	(4571.30)	(2047.89)
Inventories	6	(3685.00)	(4427.41)
Current Liabilities	17,18,19,20	4868.25	984.49
Cash generated from operations		5228.94	1689.32
Income Tax (Net)		(146.37)	(587.60)
NET CASH GENERATED FROM OPERATING ACTIVITIES		5082.57	1101.72
B. CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant & Equipments	2	(2179.95)	(1666.31)
Purchase/Addition of Intangibles/Goodwill (Net)	2	(1859.89)	(40.39)
Proceeds from Sale of Property, Plant & Equipments	2	0.50	-
Sales/(Purchase) of Investments (Net)	3	-	(106.25)
Investment in Other Non-Current Assets	4,5	(2995.73)	566.80
NET CASH USED IN INVESTING ACTIVITIES		(7035.07)	(1246.15)
C. CASH FLOWS FROM FINANCING ACTIVITIES:			
Finance Cost	25	(178.82)	(198.45)
Proceeds/(Repayments) of Long Term Borrowings (Net)	14	(38.73)	(84.56)
Proceeds/(Repayments) of Short Term Borrowings (Net)	14	396.49	236.98
Proceeds from Issue of Share Warrants		4375.00	-
Change in Other Non- Current Liabilities & Provisions (Net)	13,15,16	173.34	594.86
NET CASH USED IN FINANCING ACTIVITIES		4727.28	548.83
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		2774.78	404.40
Cash and Cash Equivalents as at Beginning of the Year		1363.91	959.51
Cash and Cash Equivalents as at End of the Year		4138.69	1363.91
Bank Balances other than Cash and Cash Equivalents		2650.73	2524.13
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-34		

As per our separate report of even date For & on behalf of the Board of Directors of Morepen Laboratories Ltd.

For Satinder Goyal & Co.
Chartered Accountants
Firm Regn. No. 027334N

(CA S. K. Goyal)
Partner
Membership No. 084613

Place : New Delhi
Date : 4th May, 2021

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Ajay Sharma)
Chief Financial Officer

(Manoj Joshi)
Director
DIN : 00036546

(Vipul Kumar Srivastava)
Company Secretary
Membership No. A-26231

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March, 2021

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)		
Balance as at 1 st April, 2020	Change in equity share capital during the year	Balance as at 31 st March, 2021
8995.86	-	8995.86

B. OTHER EQUITY

(₹ in Lakhs)							
	RESERVES & SURPLUS				Other items of other comprehensive income	Money received against Share warrants	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings			
Balance as at 1st April, 2020	270.40	7123.33	16740.51	(4243.17)	(480.82)	-	19410.25
Profit for the year	-	-	-	9708.59	-	-	9708.59
Other comprehensive income/(loss) for the year	-	-	-	-	(14.72)	-	(14.72)
Total comprehensive income/(loss) for the year	-	-	-	9708.59	(14.72)	-	9693.87
Money against share warrants received during the year	-	-	-	-	-	4375.00	4375.00
Balance as at 31st March, 2021	270.40	7123.33	16740.51	5465.42	(495.54)	4375.00	33479.12

Money received against share warrants ('Warrants') represents amounts received towards fully Convertible Warrants which entitles the warrant holders, the option to apply for and be allotted equivalent number of equity shares of face value of ₹2/- each within a period of 18 months from dates(s) of allotment of Warrants.

During the year, equity shareholders of the company approved allotment of 1685 Lakhs no. of share warrants to the promoter group entities. The company has received, a sum of ₹4375.00 Lakhs, being 25% of the warrant subscription monies, from these entities towards subscription of 700 Lakhs nos. of share warrants entitling them equivalent number of Equity Shares of ₹2/- each (at a premium of ₹23/- each shares) in accordance with SEBI (ICDR) Regulations, 2018 & SEBI (LODR) Regulations, 2015 as amended. During the year, the company has made an allotment of 700 Lakhs nos. of share warrants to the promoter group. Subject to exercise of option and payment of balance 75% amount of warrants issue price, the said warrants will be converted into equal no. of equity shares of the company.

SIGNIFICANT ACCOUNTING POLICIES
NOTES ON FINANCIAL STATEMENTS

1
2-39

As per our separate report of even date For & on behalf of the Board of Directors of Morepen Laboratories Ltd.

For Satinder Goyal & Co.
Chartered Accountants
Firm Regn. No. 027334N

(CA S. K. Goyal)
Partner
Membership No. 084613

Place : New Delhi
Date : 4th May, 2021

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Ajay Sharma)
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(Manoj Joshi)
Director
DIN : 00036546

(Vipul Kumar Srivastava)
Company Secretary
Membership No. A-26231



1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1.0 Company Overview

Morepen Laboratories Limited ("the Company") is a Public limited company incorporated and domiciled in India and has its listing on the BSE Limited and National Stock Exchange of India Limited. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The Company has its manufacturing locations situated in the state of Himachal Pradesh with trading and other incidental and related activities extending to both domestic and global markets. The Company is in the business of manufacturing, producing, developing and marketing a wide range of Active Pharmaceutical Ingredients (APIs), branded and generic formulations and also the Home Health products.

1.1 Basis for preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The consolidated financial statements consist of financial statements of Morepen Laboratories Ltd. (parent company) and its three subsidiaries namely Dr. Morepen Ltd., Total Care Ltd., (Domestic Companies) and Morepen Inc. (Foreign Company). Financial statements of foreign subsidiary have been recasted for the purpose of consolidation.

The names of subsidiary companies included in consolidation and parent company's holding therein are as under-

Subsidiary Company	Country of Incorporation	Percentage of Holding (%)
Morepen Inc.	U.S.A.	100
Dr. Morepen Ltd.	India	100
Total Care Ltd.	India	95*

*(Held by Dr. Morepen Limited)

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on May 4, 2021.

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

Operating Cycle

Based on the nature of products/activities of the company and normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.2 Use of Estimates and Judgements

The presentation of financial statements in conformity with Ind AS requires the management of the company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported balances of assets and liabilities, disclosures of contingent assets and liabilities as at the date of financial statements and the reported amount of revenues and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provisions for income

taxes, useful life of depreciable assets and provisions for impairments & others.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

1.3. Property, Plant and Equipment (PPE)

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

- Free hold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected significant costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.
- Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.
- Capital work-in-progress in respect of assets which are not ready for their

intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

- The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.4 Intangible Assets and Amortisation

Internally generated Intangible Assets - Research and Development expenditure

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset and/or benefits are expected over more than one period, otherwise such expenditure is charged to the Statement of Profit and Loss.

Expenditure providing benefits for more than one period is amortised proportionately over the periods during which benefits are expected to occur.

Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

1.5 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line



basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

- a) Depreciation on fixed assets is provided on straight-line method at the rates prescribed by the schedule II of the Companies Act, 2013 and in the manner as prescribed by it except assets costing less than ₹5000/- on which depreciation is charged in full during the year.
- b) Intangible assets are amortized over their respective individual estimated useful life on straight line basis, commencing from the date the asset is available to the company for its use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.

1.6. Valuation of inventories

Stocks of raw materials and other ingredients have been valued on First in First Out (FIFO) basis, at cost or net realizable value whichever is less, finished goods and stock-in-trade have been valued at lower of cost and net realizable value, work in progress is valued at raw material cost up to the stage of completion, as certified by the management on technical basis. Goods in transit are carried at cost.

1.7. Foreign Currency Transactions / Translations

- i) Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.
- ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign

currency are translated at the exchange rate at the date of the transaction.

- iii) Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- iv) Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.
- v) In case of long term monetary items outstanding as at the end of year, exchange differences arising on settlement / restatement thereof are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.

1.8 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

1.9 Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized

at fair value or present value of minimum lease payments at the inception of lease, whichever is lower. Lease under which the risks and rewards incidental to ownership are not transferred to lessee, is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term.

2.0 Financial Instruments

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

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

i) Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

ii) Subsequent measurement

a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

d) Investments in subsidiaries, joint ventures and associates

The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

e) Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet



date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

iv) Fair value measurement of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

2.1 Impairment of Assets

i) Financial Assets

In accordance with Ind AS 109, the company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount

equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

ii) Non-Financial Assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

2.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- a) Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is net of returns, trade discounts, Goods and Services Tax (GST).

Provisions for rebates, discount and return are estimated and provided for in the year of sales and recorded as reduction of revenue.

- b) Dividend income is accounted for when the right to receive the income is established.

2.3 Interest

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.4 Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior

periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Pursuant to Taxation Laws (Amendment) Ordinance 2019, the company has opted to pay Income Tax as provided under Section 115BAA of the Income Tax Act, 1961.

2.5 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of



the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.6 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as

contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

2.7 Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as at beginning of the period, unless they have been issued at a later date.

2.8 Employee Retirement benefits

i) Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

**ii) Post - employment benefits
Defined contribution plans -**

Retirement benefits in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. Payments to defined contribution plans are recognised as an expense when employees have rendered

service entitling them to the contributions.

**Defined benefit plans -
Gratuity**

The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity payment plan provides for a lump sum payment to the vested employees at retirement, death, incapacitation while in employment or on termination of employment of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of service.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. Re-measurements

comprising of actuarial gains and losses, are recognised in other comprehensive income which are not reclassified to profit or loss in the subsequent periods.

**iii) Long - term employee benefits
Leave Encashment**

The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

2.9 Segment Reporting

The company operates in one reportable business segment i.e. "Pharmaceuticals".

3.0 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31st MARCH, 2021

2. PROPERTY, PLANT AND EQUIPMENT

1) TANGIBLE ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION/AMORTIZATION		CARRYING VALUE	
	As at 01.04.2020	Additions (Disposals)/ Adjustments 31.03.2021	As at 01.04.2020	For the year Adjustments 31.03.2021	As at 31.03.2021	As at 31.03.2020
Land	158.22	158.22	-	-	158.22	158.22
Buildings	7661.46	264.13	3658.19	188.69	4078.71	4003.27
Plant & Machinery	53554.03	1456.56 (14910.26)*	44933.79	2108.70 (14910.26)	7968.10	8620.24
Furniture & Fixtures	391.50	77.54	283.63	17.51	167.90	107.87
Vehicles	851.89	104.47 (9.37)	435.91	85.07 (8.90)	434.91	415.98
Office Equipments	344.75	81.62	241.39	64.30	120.68	103.36
Total	62961.85	1984.32 (14919.63)	49552.91	2464.27 (14919.16)	12928.52	13408.94
Previous Year	76522.92	1666.31 (15227.38)	61786.21	2994.12 (15227.42)	49552.91	13408.94
II) CAPITAL WORK IN PROGRESS						
Buildings	-	92.29	-	-	92.29	-
Plant & Machinery	-	103.34	-	-	103.34	-
Total	-	195.63	-	-	195.63	-
Previous Year	-	-	-	-	-	-
III) GOODWILL						
Goodwill	7450.22	- (2.80)	2.80	- (2.80)	7447.42	7447.42
Total	7450.22	- (2.80)	2.80	- (2.80)	7447.42	7447.42
Previous Year	7450.22	-	2.24	0.56	7447.42	-
IV) OTHER INTANGIBLE ASSETS						
Computer Software	202.25	42.14	174.41	22.61	47.37	27.84
Customer Acquisition Cost	1953.14	1812.59 (1345.05)	1515.29	523.19 (1345.05)	1727.25	437.86
Patents & Trade Marks	2687.73	5.16	2372.71	18.26	301.92	315.02
Total	4843.12	1859.89 (1345.05)	4062.41	564.06 (1345.05)	2076.54	780.72
Previous Year	4802.86	40.39 (0.12)	3366.61	695.92 (0.12)	780.72	-
GRAND TOTAL						
Current year	75255.19	4039.84 (16267.48)*	53618.12	3028.33 (16267.01)	40379.44	21637.08
Previous Year	88776.00	1706.70 (15227.50)	65155.06	3690.60 (15227.54)	53618.12	21637.08

Notes -

- 1) Trade mark "Burnal" forming part of Patents & Trade Marks was given as a collateral security against inter-corporate deposit taken by the parent company. Legal case in respect of the above trade mark is pending final adjudication.
- 2) Customer Acquisition Cost represents amount spent for the expansion of product markets and increase in customer reach.
- 3) *Old machinery no longer in use and fully depreciated, written off during the year.

(₹ in Lakhs)

	As at 31.03.2021	As at 31.03.2020
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3. INVESTMENTS (NON-CURRENT) - Non Trade

A. Investment in Mutual Funds (Quoted)

5001 Units (Previous Year : 5001) of ICICI Prudential Bluechip Fund	15.25	15.25
41171 Units (Previous Year : 41171) of Kotak Standard Multicap Fund	15.25	15.25
24025 Units (Previous Year : 24025) of Franklin India Prima Fund	17.50	17.50
10939 Units (Previous Year : 10939) of Canara Robeco Equity Fund	15.00	15.00
5034 Units (Previous Year : 5034) of HDFC Equity Fund	30.00	30.00
14921 Units (Previous Year : 14921) of Nippon India Multi Cap Fund	15.00	15.00
37 Units (Previous Year : 37 Units) of Aditya Birla Sun Life Equity Fund	0.25	0.25
120 Units (Previous Year : 120 Units) of Aditya Birla Sun Life Frontline Equity Fund	0.25	0.25
	108.50	108.50

Market Value of Quoted Investments as on 31.03.2021 - ₹130.69 Lakhs.

4. LOANS

	Current Portion		Non Current Portion	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Secured				
(Unsecured, considered good)				
Loans to Employees	27.44	35.02	6.05	6.80
	27.44	35.02	6.05	6.80

5. OTHER NON CURRENT ASSETS

Unsecured

Capital Advances (Considered good)*	9861.94	7124.19
Leasehold Land Prepayments	25.34	25.34
Prepaid (Deffered) Expenses for Employee Benefit	1.97	2.69
Security Deposits	483.59	224.14
	10372.84	7376.36

Includes-*

- (i) ₹7124.19 Lakhs (Previous year ₹7124.19 Lakhs) towards advance for acquisition of brands/ new business opportunity. Due to persisting uncertainty on account of global pandemic, COVID-19, the company's efforts are taking some additional time in exploring all possible business combination. The company hopes to finalise the matter in the coming year.
- (ii) ₹2596.38 Lakhs (Previous year - Nil) paid to related parties for acquisition of land for expansion of manufacturing facilities of the company. An agreement for acquisition of land was entered into with these parties for a sum of ₹2840.00 Lakhs.

6. INVENTORIES

Raw Materials	6662.77	7151.94
Work-in-progress	4365.80	1957.31
Finished goods	3683.58	2831.81
Stock -in-trade	2551.32	1694.54
Goods in transit	8.29	3.51
Stores and spares	260.81	208.46
	17532.57	13847.57

The inventory of stocks, stores and spares has been taken, valued and certified by the management.



(₹ in Lakhs)

	As at 31.03.2021	As at 31.03.2020
7. TRADE RECEIVABLES		
Unsecured -		
Considered good	18198.42	13768.05
Considered doubtful	516.10	125.11
Less: Allowance for bad & doubtful debts	(516.10)	(125.11)
	<u>18198.42</u>	<u>13768.05</u>
8. CASH AND CASH EQUIVALENTS		
Balances with banks		
Current Accounts	4126.61	1342.90
Cash in hand	12.08	21.01
	<u>4138.69</u>	<u>1363.91</u>
9. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Term Deposit - Towards Margin Money & Security against Overdraft, Bills discounting and LC facilities (Refer Note No. 14)	2607.75	2498.03
Guarantees	42.98	26.10
	<u>2650.73</u>	<u>2524.13</u>
10. OTHER FINANCIAL ASSETS		
Interest accrued but not due	58.20	56.37
	<u>58.20</u>	<u>56.37</u>
11. OTHER CURRENT ASSETS		
Unsecured considered good, unless otherwise stated		
Advances with Suppliers & Others *	6742.18	3884.14
Leasehold Land Prepayments	0.36	0.36
Balance with Government Authorities	2002.54	951.04
Advance Income Tax - Tax Deducted at source	0.51	0.53
Security Deposits	235.12	112.95
Export Incentives Receivable	824.48	401.35
Recoverable from Insurance	0.30	-
Advances to Employees	150.03	132.16
Prepaid Expenses	117.53	140.07
	<u>10073.05</u>	<u>5622.60</u>
Advances Considered Doubtful		
(Balances with Govt. Authorities - special additional duty claims)	1.83	1.83
Less : Allowance for doubtful advances	(1.83)	(1.83)
	<u>10073.05</u>	<u>5622.60</u>

* Includes

-Sum of ₹379.73 Lakhs (P.Y. - ₹28.27 Lakhs) paid to fixed deposit holders towards cancellation of 33,54,500 Equity Shares (P.Y. - 2,64,909). (Refer Note No. 12 G)

-Sum of ₹166.66 Lakhs paid to banks in settlement of debts pending adjustment for complete compliance of settlement.

12. SHARE CAPITAL

A. Equity Share Capital

	As at March 31, 2021		As at March 31, 2020	
	Nos. of Shares	Amount (₹/ Lakhs)	Nos. of Shares	Amount (₹/ Lakhs)
Authorised				
Equity Shares of ₹2/- each	650000000	13000.00	450000000	9000.00
Issued and Subscribed				
Equity Shares of ₹2/- each	449826203	8996.53	449826203	8996.53
Paid up				
Equity Shares of ₹2/- each	449826203	8995.86	449826203	8995.86

Reconciliation of the numbers and amount of Equity shares -

For the year ended	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount (₹/ Lakhs)	Nos.	Amount (₹/ Lakhs)
Outstanding at beginning of the year	449826203	8995.86	449826,203	8995.86
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Outstanding at the end of year	449826203	8995.86	449826203	8995.86

B. Shareholders holding more than 5% shares -

Equity Shares

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Pinfold Overseas Ltd.	38530000	8.57	38530000	8.57

C. Rights, preferences and restrictions attached to each class of Shares and terms of redemption -

- The company has equity shares having a par value of ₹2/- each. Every member of the Company holding equity shares shall be entitled to vote on every resolution placed before the Company and their voting right on poll shall be in proportion to their share in the paid-up equity share capital of the Company.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of preferential amounts. The distribution will be in the proportion of the number of equity shares held by the shareholders.

- D.** During last 5 years immediately preceding the balance sheet date, no Equity Share has been issued pursuant to any contract without payment being received in cash. Further the company has neither allotted any share by way of bonus shares, nor it had bought back any Equity during aforesaid period of 5 years.



E. Disclosure about unpaid calls -

(₹ in Lakhs)

Unpaid Calls	31.03.2021	31.03.2020
By Directors & Officers	-	-
By Others	0.66	0.66

F. No shares have been forfeited by the company during the year.

G. Applications for 58,95,549 Equity Shares were submitted for cancellation with the company pursuant to Hon'ble National Company Law Tribunal (NCLT) order dated 12.03.2018. Fixed deposit dues in respect 33,54,500 equity shares have been paid as on date and balance are being paid upon due verification. The company has taken up with the stock exchanges and depositories, the matter of cancellation of these 33,54,500 equity shares. It has insignificant impact on EPS and current assets.

Necessary entries for the cancellation of equity capital and reversal of reserves and surplus for ₹67.09 Lakhs and ₹312.64 Lakhs respectively, will be given effect on the receipt of guidance from stock exchanges and depositories. The total sum of ₹379.73 Lakhs, comprising of debit balance of share capital and reserves & surplus, is appearing under head - other current assets.

(₹ in Lakhs)

	As at 31.03.2021	As at 31.03.2020
13. MINORITY INTEREST		
Share Capital	46.66	46.66
Share in Profit/(Loss)	(92.59)	(93.00)
	<u>(45.93)</u>	<u>(46.34)</u>

14. BORROWINGS

Long Term	Current Portion		Non Current Portion	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Secured				
Term Loans - Vehicles	89.30	118.40	82.83	92.46
	<u>89.30</u>	<u>118.40</u>	<u>82.83</u>	<u>92.46</u>

I. Above

Above loans represent vehicle loans, repayable on monthly basis, are secured by way of hypothecation of specific assets purchased under the hire purchase agreement.

Particulars	Current Portion	Non- Current Portion			Total loans
		2021-22	2022-23	2023-24	
Annual Repayment Amount (₹/Lakhs)	89.30	60.72	22.11	82.83	172.13
Annual Rate of Interest (%)	7.60%-10.95%	7.60%-10.95%	7.60%-10.95%		

II. Current Portion of Long Term Borrowings is appearing under the head Other Financial Liabilities. (Refer Note No. 18)

Short Term

Secured

Bank Overdraft and Bill Discounting facility against term deposit (Refer Note No. 9)	1532.44	1135.95
--------------------------------------------------------------------------------------	---------	---------

Total

Annual rate of interest chargeable on aforesaid facilities ranges up to 8.5 %.	<u>1532.44</u>	<u>1135.95</u>
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(₹ in Lakhs)

	As at 31.03.2021	As at 31.03.2020
15. OTHER FINANCIAL LIABILITIES (NON-CURRENT)	383.42	367.45
Security Deposits from Business Associates & Others	<u>383.42</u>	<u>367.45</u>

16. PROVISIONS

Provision for employees' benefits (Unfunded) -	CURRENT		NON-CURRENT	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Gratuity	244.31	153.83	1882.94	1779.95
Leave Encashment	132.18	88.60	656.36	602.40
Provision for Income Tax	148.61	29.54	-	-
	<u>525.10</u>	<u>271.97</u>	<u>2539.30</u>	<u>2382.35</u>

17. TRADE PAYABLES

Total outstanding dues of micro small and medium enterprises	211.25	138.23
Total outstanding dues of creditors other than micro small and medium enterprises	20673.64	17092.20
	<u>20884.89</u>	<u>17230.43</u>

Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

18. OTHER FINANCIAL LIABILITIES -CURRENT

Current maturities of Long Term Borrowings (Refer note no. 14)	89.30	118.40
Preference Shares (Refer note no. 12)	11965.20	11965.20
Accumulated Dividend on Cumulative Preference Shares	979.16	930.24
Accrued salaries and benefits	1608.04	1287.85
Others*	2266.36	1000.99
	<u>16908.06</u>	<u>15302.68</u>

Under the previous GAAP, Preference Shares Capital was treated as part of equity and carried at cost. Redeemable preference shares contain a contractual obligation to deliver cash to the holders. Under Ind As the same is classified as liability. Dividend on cumulative preference shares has accordingly shown as part of finance cost.

*** Includes-**

- ₹658.17 Lakhs payable to fixed deposit holders against due verification and surrender of their equity shares during the year.
- ₹435.00 Lakhs received by Dr. Morepen Limited from promoter group entities towards allotment of 1,01,69,875 nos. of share warrants entitling equivalent number of Equity Shares of ₹10/- each (at a premium of ₹20/- each shares) in accordance with the provisions of the Companies Act, 2013 and its rules made thereunder.

The balance consideration is receivable at the time of allotment of equity shares pursuant to exercise of option against each such warrant by the warrant holder. Dr. Morepen Limited will cease to be wholly owned subsidiary of the company on allotment of equity shares by Dr. Morepen Limited to promoter group entities.

A. Preference Share Capital

The Preference Share Capital of ₹11965.20 Lakhs comprises of preference shares amounting to ₹11265.20 Lakhs, issued to banks and financial institutions, in satisfaction of their outstanding debt under Corporate



Debt Restructuring ('CDR') Scheme during the financial year ending March 2008. The detailed break up is as under -

- I. 9735201, 0.01% Optionally Convertible Preference Shares ('OCPS') of ₹100/- each amounting to ₹9735.20 Lakhs
- II. 1530000, 0.01% Cumulative Redeemable Preference Shares ('CRPS') of ₹100/- each amounting to ₹1530.00 Lakhs

The aforesaid preference shares are pending for redemption on account of unavailability of distributable profits in terms of Section 55(2) (a) read-with Section 123 of Companies Act, 2013 and its rules made thereunder. The company is exploring suitable options to deal with matter of redemption of outstanding preference shares including issuance of equity shares subject to necessary statutory approvals including approvals of preference shareholders. The majority of preference shareholders are agreeable to the company's aforesaid proposal.

	As at March 31, 2021		As at March 31, 2020	
	Nos. of Shares	Amount (₹/Lakhs)	Nos. of Shares	Amount (₹/Lakhs)
Authorised				
Preference Shares of ₹100/- each	12000000	12000.00	12000000	12000.00
Issued, Subscribed & paid up				
Preference Shares of ₹100/- each	11965201	11965.20	11965,201	11965.20
0.01% Optionally Convertible	9735201	9735.20	9735201	9735.20
0.01% Cumulative Redeemable	1730000	1730.00	1730000	1730.00
9.75% Cumulative Redeemable	500000	500.00	500000	500.00
	11965201	11965.20	11965201	11965.20

Reconciliation of the numbers and amount of Preference shares

	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount (₹/Lakhs)	Nos.	Amount (₹/Lakhs)
Outstanding at beginning of the year	11965201	11965.20	11965201	11965.20
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Outstanding at the end of year	11965201	11965.20	11965201	11965.20
Total Equity (₹/Lakhs)		20961.06		20961.06

B. Rights, preferences and restrictions attached to each class of Shares and terms of redemption -

- i) The company has preference shares of ₹100/- each. Every preference share holder of the company shall be entitled to vote on resolutions placed before the Company which directly affect the rights attached to their shares and any resolution for winding up of the Company or for repayment or reduction of capital and their voting right on poll shall be in proportion to their share in the paid-up preference share capital of the Company. However, where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all resolutions placed before the Company and the proportion of voting rights of equity shareholders to the voting rights of preference shareholders shall be in proportion to their paid up capital.
- ii) All 97,35,201, 0.01% Optionally Convertible Preference Shares, had already become due for redemption/conversion in the financial year 2014-15 and could not be redeemed due to unavailability of surplus.

- iii) Out of 1730000, 0.01% Cumulative Redeemable Preference Shares, preference shares comprising of 200000 Shares amounting to ₹200.00 Lakhs were due for redemption in financial year ending 31.03.2012, whereas 50% of 1530000 Shares amounting to ₹765.00 Lakhs were due for redemption in the financial year ending March 31, 2017 and balance 50% were due for redemption in the financial year ending March 31, 2018.
- iv) 500000, 9.75% Cumulative redeemable Preference shares amounting to ₹500.00 Lakhs had been due for redemption since March 2004, however, could not be redeemed because of unavailability of surplus. The subscriber has filed a legal case against the company for the recovery of the sum invested as well as dividend thereon. The company is contesting the claim of the subscriber at appropriate forum.
- v) On account of unavailability of distributable profits in terms of Section 55(2)(a) and Section 123 of Companies Act, 2013, the company had been unable to meet the redemption and dividend payment terms for these preference shares.

C. Shareholders holding more than 5% shares -

a) 9735201, 0.01% Optionally Convertible Redeemable Shares -

Name of Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Bank of Nova Scotia	1179000	12.11	1179000	12.11
Stressed Assets Stabilisation Fund (SASF)	961044	9.87	961044	9.87
EXIM Bank Ltd.	916333	9.41	916333	9.41
SICOM Ltd.	829463	8.52	829463	8.52
Punjab National Bank	671522	6.90	671522	6.90
Oriental Bank of Commerce	623828	6.41	623828	6.41
Dena Bank	593936	6.10	593936	6.10
UCO Bank	515900	5.30	515900	5.30

b) 1730000, 0.01% Cumulative Redeemable Shares -

Name of Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Oriental Bank of Commerce	1000000	57.80	1000000	57.80
Axis Bank Ltd.	500000	28.90	500000	28.90
Blue Sky Securities Pvt. Ltd.	200000	11.56	200000	11.56

c) 500000, 9.75% Cumulative Redeemable Shares -

Name of Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Jammu and Kashmir Bank Ltd.	500000	100	500000	100

(₹ in Lakhs)

	As at 31.03.2021	As at 31.03.2020
19. OTHER CURRENT LIABILITIES		
Advance Received from Customers	185.39	620.62
Direct Taxes	248.06	124.81
Indirect Taxes	38.00	22.90
Others	58.06	435.00
	529.51	1203.33



	(₹ in Lakhs)	
	As at 31.03.2021	As at 31.03.2020
20. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
a) Contingent Liabilities		
Claims against the Company not acknowledged as debts (routine petty matters - Amount not ascertained)	-	-
Guarantees	10.36	8.00
Other money for which company is contingently liable	82.35	118.50
	<u>92.71</u>	<u>126.50</u>
b) Other commitments	243.62	-
Capital commitments	336.33	126.50
	<u>336.33</u>	<u>126.50</u>
	(₹ in Lakhs)	
	Year Ended 31.03.2021	Year Ended 31.03.2020
21. REVENUE FROM OPERATIONS		
Sale of Products		
Domestic	69871.43	49636.80
Exports	47665.30	34323.46
	<u>117536.73</u>	<u>83960.26</u>
Other Operating Revenues		
Export Incentives	1007.91	1212.86
Others	261.00	133.57
	<u>1268.91</u>	<u>1346.43</u>
	<u>118805.64</u>	<u>85306.69</u>
22. OTHER INCOME		
Interest Income	213.43	419.62
Others	993.46	528.73
	<u>1206.89</u>	<u>948.35</u>
23. COST OF MATERIALS CONSUMED		
Raw Materials	57266.99	37999.33
Packing Materials	4525.66	3322.54
	<u>61792.65</u>	<u>41321.87</u>
24. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	12358.79	9826.07
Contribution to provident fund/ ESI	388.70	393.79
Gratuity and Leave Encashment Expenses	443.57	449.31
Staff Welfare	368.30	321.43
	<u>13559.36</u>	<u>10990.60</u>
25. FINANCE COST		
Interest expense (includes a sum of ₹53.13 Lakhs (Previous Year ₹2.47 Lakhs towards interest paid/provided on fixed deposits repayments)	129.90	149.53
Dividends on Cumulative Preference Shares (refer Note No. 18)	48.92	48.92
	<u>178.82</u>	<u>198.45</u>

	(₹ in Lakhs)	
	Year Ended 31.03.2021	Year Ended 31.03.2020
26. OTHER EXPENSES		
Consumption of Stores and spare parts	623.27	453.32
Power and Fuel	1300.26	1255.79
Rent	514.00	435.26
Repairs to buildings	89.67	93.18
Repairs to machinery	354.57	313.10
General Repairs	325.46	195.27
Insurance	134.43	72.20
Research & Development	564.61	254.69
Quality Control & Testing Charges	563.44	455.15
Rates and taxes excluding taxes on income	283.18	172.37
Legal and Professional Expenses	1082.62	1383.05
Travelling Expenses	1131.66	1389.27
Selling and Distribution Expenses	4965.67	4011.01
Miscellaneous Expenses	3407.63	1239.12
(includes a sum of ₹1394.76 Lakhs (Previous Year ₹74.95 Lakhs) towards settlement of fixed deposit dues, pursuant to NCLT order dated 12.03.2018)		
	<u>15340.47</u>	<u>11722.78</u>
27. PRIOR PERIOD ITEMS		
Expenses include ₹32.73 Lakhs (Previous Year ₹66.72 Lakhs) as expenses (net) relating to earlier years.		
28. SEGMENT REPORTING		
In accordance with Ind AS-108, "Operating Segment " the Company's business activity falls within a single primary business segment viz. "Pharmaceuticals". The secondary business segment in terms of geographical markets have been recognised as India, USA and rest of world. The segment revenues for the year is as under-		
	(₹/Lakhs)	
Geographical Segment	Sales Revenues	
	2020-21	2019-20
USA	6800.03	5027.91
Rest of World	40865.27	29295.55
India	69871.43	49636.80
Total	<u>117536.73</u>	<u>83960.26</u>



29. RELATED PARTY DISCLOSURES

Disclosure as required by Indian Accounting Standard "Related Party Disclosures" (Ind AS 24) as notified u/s 133 of Companies Act, 2013 are as under:

Related Parties

1. Key Management Personnel	<p>Morepen Laboratories Limited - Mr. Sushil Suri, Chairman & Managing Director, Mr. Sanjay Suri, Whole Time Director Dr. A.K. Sinha, Whole time Director Mr. Ajay Sharma, Chief Financial Officer Mr. Vipul Srivastava, Company Secretary</p> <p>Dr. Morepen Limited Mr. Sanjay Suri, MD Mr. Ajay Sharma, Director & Chief Financial Officer Mr. Deepak Das, Company Secretary till 18.03.2021</p>
2. Relatives of Key Management personnels with whom the company has any transaction during the year	Mr. Varun Suri, Mr. Anubhav Suri, Mr. Kushal Suri, Mrs. Sunita Suri, Mrs. Mamta Suri, Mrs. Shalu Suri, Mrs. Sakshi Suri, Mrs. Suhina Suri, Mrs. Bavleen Suri, Mr. Rajas Suri, Mrs. Simmi Bhasin, Mrs. Sonia Bajaj, Mrs. Amita Sharma
3. Entities controlled or jointly controlled by a person or a close members of that person's family having control or joint control over the reporting entity - Brook Investments & Financial Services Private Ltd. Concept Credits & Consultants Private Limited Epitome Holdings Private Limited Scope Credits & Financial Services Private Limited Mid-Med Financial Services & Investments Pvt. Ltd. React Investments & Financial Services Pvt. Ltd. Solitary Investments & Financial Services Pvt. Ltd. Square Investments & Financial Services Pvt. Ltd. Solace Investments & Financial Services Pvt. Ltd. Seed Securities & Services Private Limited Liquid Holdings Private Limited	Domestic Company Domestic Company Domestic Company Domestic Company Domestic Company Domestic Company Domestic Company Domestic Company Domestic Company Domestic Company Domestic Company Domestic Company
4. Entities over which key management personnel/ or Relatives of key management personnel are able to exercise significant influence with which the company has any transactions during the year	Edit 25 Lifestyle Private Limited Mr. Naman Joshi Vignet Trading Pvt. Ltd. Blueheaven Marketing Pvt. Ltd. Morepen Overseas Pvt. Ltd.

Transactions with related parties -

Particulars	Nature of transaction	(₹ in Lakhs)
1. Key Management Personnel	Advance paid for Land	222.32
	Remuneration	1053.95
	Amount payable as on 31.03.21	132.44
	Maximum amount outstanding	175.82
2. Entities controlled or jointly controlled by a person or a close members of that person's family having control or joint control over the reporting entity	Receipt of share warrant subscription money	4375.00
	Receipt of services	56.69
	Amount payable as on 31.03.21	61.57
	Maximum amount outstanding	61.57

3. Relatives over which key management personnel/ or Relatives of key management personnel are able to exercise significant influence with which the company has any transactions during the year	Other Receipts-Towards share warrant subscription	435.00
	Receipt of services	853.62
	Amount payable as on 31.03.21	57.44
	Maximum amount outstanding	466.72
4. Relatives of key Management personnels with whom the company has any transaction during the year	Advance paid for Land	2374.06
	Remuneration	976.88
	Amount payable as on 31.03.21	425.33
	Maximum amount outstanding	481.79

30. EARNING PER SHARE (EPS)

Particulars	Year Ended	
	31.03.2021	31.03.2020
Profit/ (Loss) after Tax (₹ in Lacs)	9708.59	3357.92
Weighted average number of equity shares outstanding	449826203	449826203
EPS (₹) – (face value ₹2/- per share)	2.16	0.75
Weighted average number of equity shares used in computing diluted EPS	451072778	449826203
Diluted EPS (₹) – (face value of ₹2/- per share)	2.15	0.75

31. IMPAIRMENT

It is the view of management that there are no impairment conditions that exist as on March 31, 2021. Hence, no provision is required in the accounts for the year under review.

32. TAXES

Deferred tax asset of ₹318.21 Lakhs in respect of sum of ₹1264.35 Lakhs comprising of Net taxable timing differences of ₹1397.17 Lakhs (liability) and Unused tax losses of ₹2661.52 Lakhs (asset) as provided by Indian Accounting Standard (Ind-As 12) "Income Taxes" notified u/s 133 of The Companies Act, 2013. is not recognised as a matter of prudence.

33. OTHERS SIGNIFICANT DISCLOSURES

- In the opinion of directors, all assets stated otherwise have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts and the provision for depreciation and for all known liabilities is adequate and considered reasonable.
- Balances of Non-current liabilities, Current liabilities, Long terms loans and advances, Trade receivables, Short term loans and advances and banks are subject to confirmation.
- Sales Tax assessments for earlier years are in progress. Demand, if any, shall be known & accounted for, on the completion of assessments.
- Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout.

34. Corporate Social Responsibility (CSR)

- During the financial year ended March 31, 2021 CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof was ₹64.53 Lakh (Previous year ₹51.84 Lakh).
- During the year the Company has made an expenditure of ₹65.02 Lakh (Previous year ₹51.98 Lakh) related to CSR.
- Details of CSR expenditure incurred during the year ended March 31, 2021 is as below :-

	31.03.2021	31.03.2020
CSR activity		
- Promotion of Healthcare	63.02	51.98
- Education	2.00	-
Total	65.02	51.98



MOREPEN

The USFDA approved Plant at Masulkhana



MOREPEN

The Joy Of Growing Together

Morepen Laboratories Limited

(CIN: L24231HP1984PLC006028)

Corp. Off. : 4th Floor, Antriksh Bhawan, 22 K.G. Marg, New Delhi - 110 001, INDIA

Tel.: 91-11-23324443, 23712025, Fax : 91-11-23722422

E-mail : investors@morepen.com Website : www.morepen.com

MOREPEN LABORATORIES LIMITED

Regd. Off: Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, H.P.– 173 205

CIN: L24231HP1984PLC006028; **Website:** www.morepen.com;

E-mail id: investors@morepen.com; **Tel No.:** +91-01795-276201-03; **Fax No.:** +91-01795-276204

NOTICE

NOTICE is hereby given that the **36th Annual General Meeting ('AGM')** of the members of Morepen Laboratories Limited ('the Company') will be held on **Tuesday, 28th September, 2021** at 11.00 A.M. through Video Conferencing/Other Audio-Visual Means ('VC'/OAVM'), to transact the following business:

Ordinary Business

Item No. 1 - Adoption of financial statements

To receive, consider and adopt the audited financial statement, including consolidated financial statements, of the Company for the financial year ended 31st March, 2021 together with the reports of the Directors' and Auditors' thereon.

Item No. 2 - Appointment of Mr. Sanjay Suri as a Director liable to retire by rotation

To appoint a director in place of Mr. Sanjay Suri (DIN: 00041590), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

Special Business

Item No. 3 - Ratification of remuneration of M/s. Vijender Sharma & Co., Cost Accountants, as Cost Auditors 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 Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force and as per the recommendation of the Audit Committee, the Company hereby ratifies the remuneration of M/s. Vijender Sharma & Co., Cost Accountants, (FRN: 000180), appointed as Cost Auditors of the Company by the Board of Directors of the Company, to audit the cost records relating to manufacturing of Bulk Drugs and Formulations for the financial year 2021-2022, at a remuneration of ₹2,00,000/- (Rupees Two Lakhs only) excluding applicable taxes and out of pocket expenses.

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

Item no. 4 – Approval for Transfer of Medical Devices Business of the Company to a Wholly Owned Subsidiary Company

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) and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the relevant rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force), and provisions of the Articles of Association of the Company, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI LODR”**), and all other provisions of all other applicable laws, and subject to such approvals, sanctions, consents, registrations and permissions, as may be required, the consent of the members of the Company, 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 enter into a Business Transfer Agreement (and all ancillary agreements in connection herewith) with a wholly owned subsidiary of the company, which is under process of incorporation, (hereinafter referred as 'Buyer'), for transfer, sale, assignment and delivery, hive off or otherwise dispose of whole of the undertaking of Medical Devices Business of the Company along with the respective assets and liabilities, embedded goodwill and includes immovable assets, movable assets, inventory, brands and intangible assets, certain licensed trademarks, contracts, licenses and permissions, business records, transferring employees along with employee benefit funds, insurance policies, other assets and assumed liabilities (“Undertaking”), as a going concern on a “slump sale” basis as defined under section 2(42C) of Income Tax Act, 1961 ('Slump Sale') on an going concern basis, without values being assigned to the individual assets and liabilities, along with the goodwill associated with it by executing the Business Transfer Agreement ('BTA') and other Ancillary Agreements with effect from such date and on such terms and conditions and with such modifications as may be required, as the Board may deem fit and appropriate in the interest of the Company on a lumpsum consideration of INR 55,00,00,000/- (Rupees Fifty Five Crore Only), a fair value arrived at as per Rule 11 UAE of Income Tax Rules, 1962 in the form of issue of Equity Shares to be issued to the company by the Buyer.

RESOLVED FURTHER THAT pursuant to the Section 186 of the Companies Act, 2013 and other applicable provisions of the Act read with the applicable Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), provisions of Regulation 23 and other applicable provisions of the SEBI LODR as amended from time to time, the Company's policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions, all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary and pursuant to the consent of the Audit Committee and the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to enter into material related party contracts/arrangements/ transactions with the Buyer as may be approved by the Board in this regard, for subscribing to the Equity Shares of the Buyer, being 'Related Party' within the meaning of the Companies Act, 2013 and the SEBI LODR, on such terms and conditions as may be considered appropriate by the Board of Directors (including any authorized Committee thereof), as may be agreed between the Company and the Buyer as may be approved by the Board, more particularly enumerated in the explanatory statement.

RESOLVED FURTHER THAT the Board of Directors, Chief Financial Officer and the Company Secretary of the Company, be and are hereby severally authorised to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, (i) to effect the sale and transfer of the Medical Devices Business (ii) to finalize, vary and settle the terms and conditions of the sale and transfer of the transactions mentioned above; (iii) to settle and finalise all issues that may arise in this regard, without further referring to the members of the Company; (iv) to negotiate and finalize the business transfer agreement, transition services agreement, escrow agreement, conveyance deeds, and/ or any other transaction documents (including providing such representations, warranties, indemnities and covenants and agreeing to price adjustments as may be agreed); (v) to execute, deliver and perform such business transfer agreement, transition services agreement, escrow agreement, conveyance deeds, other contracts, deeds, undertakings and other documents and subsequent modifications thereto; (vi) to file applications and make representations to seek the requisite approvals in respect thereof from the relevant government authorities and third parties, including lenders, lessors and customers of the Company; and (vii) to take all necessary steps in the matter as it may in its absolute discretion and in the best interests of the Company deem necessary, desirable or expedient, to give effect to the above resolution.”

**By order of the Board of Directors
For Morepen Laboratories Limited**

**Date : 1st September, 2021
Place : New Delhi**

**Sushil Suri
(Chairman & Managing Director)
DIN: 00012028**

NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 and its rules framed thereunder (hereinafter referred to as the 'Act') relating to businesses to be transacted at the AGM, as set out in item no. 3 & 4 and relevant details as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as the 'Listing Regulations') and Secretarial Standard -2 of General Meeting issued by the Institute of Company Secretaries of India ('ICSI'), is annexed thereto.
2. The Board of Directors have considered and decided that item no. 3 & 4 as set out in the notice are Special Businesses and are unavoidable in nature.
3. In view of outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has, vide General Circular no. 14/2020 dated 8th April, 2020, General Circular no. 17/2020 dated 13th April, 2020, General Circular no. 20/2020 dated 5th May, 2020 and General Circular no. 02/2021 dated 13th January, 2021, in relation to extension of the framework provided in the aforementioned circulars up to 31st December, 2021 (collectively 'MCA Circulars'), permitted companies to conduct General Meeting through video conferencing ('VC') or Other Audio Visual Means ('OAVM') and relevant circular issued by the Securities and Exchange Board of India ('SEBI') on holding of meeting through VC or OAVM. In compliance with the MCA and SEBI Circulars and applicable provisions of the Act and Listing Regulations, the AGM of the Company is being convened and conducted through VC/ OAVM. The Notice is being sent to all the members to their email ids as registered with the Company/RTA. The deemed venue for the AGM shall be the Registered Office of the Company.
4. In terms of the provisions of Section 152 of the Act, Mr. Sanjay Suri, Director of the Company, retire by rotation at the Meeting. The Nomination and Remuneration Committee and the Board of Directors of the Company recommend for his re-appointment in their respective meetings. Mr. Sanjay Suri and Mr. Sushil Suri, Chairman & Managing Director, are interested in the Ordinary Resolution set out at Item No. 2, respectively, of the Notice. The other relatives of Mr. Sanjay Suri may be deemed to be interested in the resolution set out at Item No. 2 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 to 2 of the Notice. The relevant details of Mr. Sanjay Suri, Director retiring by rotation and seeking appointment / re-appointment at this Meeting is provided in the "Annexure" to this Notice.
5. The Company has enabled the members to participate at the AGM through the VC/ OAVM facility provided by National Depository Services Limited ('NSDL'). The instructions for participation by Members are given in the subsequent paragraphs. Participation at the AGM through VC/ OAVM shall be allowed on a first-come- first-served basis.
6. Pursuant to the provisions of the Act, members are entitled to attend and vote at the AGM, are entitled to appoint a proxy to attend and vote on his/her behalf. Since the AGM is being held through VC/ OAVM, therefore physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be made available for the AGM and hence the Proxy Form and Attendance Slip and route map are not annexed to this Notice.
7. Corporate members are required to send a certified copy of the board resolution authorizing their representative to attend the AGM through VC/ OAVM and vote on their behalf at e-mail i.d. of the Company at 'investors@morepen.com' and email id of scrutinizer at 'csduapraveen@gmail.com' with a copy marked to 'evoting@nsdl.co.in' and institutional investors are encouraged to attend and vote at the meeting through VC/OAVM.
8. The Company has provided the facility to members to exercise their right to vote by electronic means both through remote e-Voting and e-Voting during the AGM. The process of e-Voting with necessary user i.d. and password is given in the subsequent paragraphs.

9. Members joining the meeting through VC/ OAVM, who have not already cast their vote by means of remote e-Voting, shall be able to exercise their right to vote through e-Voting during/ at the AGM. The members who have cast their vote by remote e-Voting prior to the AGM may also join the AGM through VC/ OAVM but shall not be entitled to cast their vote again.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. The Company has appointed Mr. Praveen Dua (FCS: 3573, CP: 2139), Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the e-Voting process in a fair and transparent manner.
12. The Register of Members and Share Transfer books will remain closed from Wednesday, 22nd September, 2021 to Tuesday, 28th September, 2021 (both days inclusive).
13. All documents referred to in the Notice and accompanying Explanatory Statement, as well as the Annual Report, are open for inspection at the Corporate Office of the Company on all working days, excluding Saturday between 11.00 A.M to 1.00 P.M. up-to the date of the AGM.
14. The following documents will be available for inspection by the Members electronically during the AGM. Members seeking inspect to such documents may send an email to company at investors@morepen.com, at least 5 days in advance.
 - Register of Directors and Key Managerial Personnel and their shareholding; and
 - Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013.
 - Any other documents information which are required as per the preceding paragraph of this notice and annual report.
15. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The prescribed nomination form can be obtained from the website of the Registrar and Share Transfer Agent of the Company i.e., www.masserv.com
16. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registration of nomination, power of attorney registration, Bank Mandate details, etc. to their DPs in case the shares are held in electronic form and write to the Registrar & Transfer Agent at their office address at Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area,, Phase-II, New Delhi-110020, in case the shares are held in physical form, quoting their folio number. Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.
17. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or its RTA i.e., Mas Services Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.
19. In case of any queries regarding the Annual Report, the Members may write to 'investors@morepen.com' or 'info@masserv.com' to receive an email response.

Process for dispatch of Annual Report and registration of email id for obtaining copy of Annual Report-

20. In line with the MCA and SEBI Circulars, the notice of the AGM along with the Annual Report 2020-21 is being sent only by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories. Members may please note that this Notice and Annual Report 2020-21 will also be available on the Company's website at www.morepen.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited viz., www.bseindia.com and www.nseindia.com, respectively, and on the website of NSDL at www.evoting.nsdl.com.
21. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020 or email at info@masserv.com with folio no. and name.
22. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company through an email at investors@morepen.com, till Tuesday, 21st September, 2021.

Procedure for joining the AGM through VC / OAVM:

23. Members may note the VC/OAVM facility will provided by NSDL, allows participation of 1,000 members on first come first serve basis. However, this number does not include the large Shareholders i.e., Shareholding 2% or more, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
24. Members will be able to attend the AGM through VC / OAVM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-Voting login credentials and selecting the link available against the EVEN for Company's AGM. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned below in the Notice.
25. Facility of joining the AGM through VC/ OAVM shall open 30 minutes before the time scheduled for the AGM and will be available on first come first serve basis.
26. Members who need assistance before or during the AGM, can contact Mr. Deepanshu Rastogi, Assistant Manager, Mas Services Limited at 'info@masserv.com' / 26387281/82/83 or Ms. Pallavi Mhatre, Manager, NSDL at 'evoting@nsdl.com' / 1800-222-990. The copy of notice of AGM is also available at website of the company i.e., 'www.morepen.com'
27. As per the provisions under the MCA Circulars, members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

Procedure for remote e-Voting and e-Voting during the AGM

28. All the members of the Company including retail individual investors, institutional investors, etc. are encouraged to attend and vote in the AGM to be held through VC/OAVM.
29. In compliance with the provisions of Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations and re-enactment(s) thereof for the time being in force, members are provided e-Voting facility to cast their votes, by electronic means for voting through remote e-Voting, for participation in the AGM through VC/OAVM facility and e-Voting during the AGM. The necessary instructions for e-Voting are given in this notice.
30. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09th December, 2020, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is very negligible in remote e-Voting facility offered by listed entities. Currently, there are multiple e-Voting service providers (ESPs)

providing e-Voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. To increase the efficiency of the voting process and pursuant to a public consultation, SEBI mandated that to enable e-Voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process. The facility to avail single login credential is being implemented through phased wise manner. The shareholders/ members can register directly with their depositories or through their demat account with depository participants.

31. The remote e-Voting period will commence on Friday, 24th September, 2021 at 9:00 A.M. and ends on Monday, 27th September, 2021 at 5:00 P.M. The remote e-Voting module will be disabled by NSDL for voting thereafter. Members holding shares either in physical form or in dematerialized form, as on Tuesday, 21st September, 2021 i.e., cut - off date, may cast their vote electronically.
32. The voting rights of Members shall be in proportion to their shares in the paid-up share capital of the Company as on the cut-off date
33. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at 'evoting@nsdl.co.in'. However, if he/she is already registered with NSDL for remote e-Voting then he/she can use his/her existing User ID and password for casting the vote.

Procedure to raise question/ seek clarifications with respect to Annual Report at the AGM:

34. The Members will be allowed to ask question(s) during the course of the Meeting. The question(s) shall also be given in advance at-least 5 days before the meeting. The Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number & number of shares held, at 'investors@morepen.com'.
35. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
36. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

INSTRUCTIONS AND INFORMATION RELATING TO E-VOTING ARE AS FOLLOWS:

The Company has availed the services of e-Voting system offered by National Securities Depositories Limited ('NSDL'). The instructions of e-Voting are provided in FAQ manner.

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

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

Step 1: Access to NSDL e-Voting system

- A. Login method for e-Voting and joining virtual meetings for individual shareholders holding securities in demat mode in terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders/ members holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders/ members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi/ Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e., NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use 'Forget User ID' and 'Forget Password' option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders/ members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders/ members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B. Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

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

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

4. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL/CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your User ID is 12**** *****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example if Folio Number is 001*** and EVEN is 101456, then User ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting". Select "EVEN" of 'MOREPEN LABORATORIES LIMITED'.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

The instructions for e-Voting during the AGM are as under:

- (i) The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OAVM.
- (ii) Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast 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 during the AGM.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please send signed request with Folio No., Name of shareholder, scanned copy of the any one share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to info@masserv.com with subject line email registration of Morepen Laboratories Limited folio number (mention folio number)
2. In case shares are held in demat mode, please update your email id with your depository. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e., Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

General Guidelines for Members

For the votes to be considered valid, the Institutional shareholders (other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution /Authority Letter etc. to the Scrutinizer through e-mail at 'csduapraveen@gmail.com' with a copy marked to 'evoting@nsdl.co.in'.

Members may contact to Mr. Deepanshu Rastogi, Assistant Manager, Mas Services Limited at 'info@masserv.com'; / 011-26387281/82/83 or Ms. Pallavi Mhatre, Manager, NSDL at 'evoting@nsdl.com'; / 1800-222-990 for any grievances connected with VC/OAVM/ e-Voting.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter, unblock the votes cast through remote e-Voting and make, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.

The result declared along with the Scrutinizer's Report shall be placed on the Company's website 'www.morepen.com' and on the website of NSDL 'www.evoting.nsdl.com' immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited, BSE Limited where the shares of the Company are listed.

Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.

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.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password' or 'Physical User Reset Password' option available on 'www.evoting.nsdl.com' to reset the password.

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013 read with rules made thereunder & SEBI (LODR) Regulations, 2015, as amended)

As required under Section 102 of the Companies Act, 2013, the following statement sets out all material facts concerning each item of special business mentioned under Item No. 3 & 4 of the accompanying Notice:

Item No. 3

As per the recommendations of the Audit Committee, the Board of Directors of the Company have appointed M/s. Vijender Sharma & Co., Cost Accountants, as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2022 (FY 2021-22) pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force).

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors of the Company, has to be ratified by the members of the Company.

The Board of Directors of the Company recommends the passing of the resolution set out under item no. 3 of the Notice as an **Ordinary Resolution**.

None of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

Item no. 4

The company is engaged in the pharmaceutical business comprising of the manufacture and sales of active pharmaceutical ingredients ('APIs'), finished formulations and point-of-care ('POC') medical devices. Over-the-Counter drugs ('OTC') business is being carried on through its wholly owned subsidiary viz., Dr. Morepen Limited. Having established itself as a preferred generic manufacturer in the international market, the company moved aggressively up the value chain in its core API business and is also finding its niche in finished dosages space. Point of Care Medical Devices Business has developed a strong trust and bond with the customers and has gained market leadership in India.

In the recent few years, POC Medical Devices business has grown exponentially and has gained very high market share, thanks to the trust imposed by the customers and trade on the company's product quality and after sale service. In house manufacturing of the key products has given further impetus to cost reduction and fuelled the growth trajectory. Given the fast scaling up of business and mainstreaming of point of care business in India, the company targets a leadership position in POC business. In light of this, the company plans to carve out the business into a separate wholly owned subsidiary both for building teams to manage scale of operations of large and fast-growing business and the unique features of POC business. Given the scale the company is looking to achieve in this point of care Medical Device business, it also plans bring in fresh capital that makes it imperative to have a separate subsidiary to undertake the fast-expanding POC business.

The nature of said POC Medical Devices business, management, sales and marketing strategies are different than that of the typical API and pharma business of the Company. The proposed segregation will give the clarity to the working teams, trade, customers and other stakeholders.

Post this spin off, the company will be able to put entire focus on its core business of active pharmaceutical ingredients ('API') and Formulations. The company has got two USFDA plants of API and is exporting the drugs to over 80 countries and that is highly specialised and technical business and needs more expertise and skills in that area. On the other hand, the medical devices business is more focused on digital and biological sciences and requires more marketing efforts to increase the reach and penetration in the Indian market.

After hiving off Medical Devices Business into wholly owned subsidiary company, which is under process of incorporation, a separate dedicated management will work for the development of Medical Devices Business in separate independent entity. In the second phase post hive off, the Medical Devices company would go for CE Certification of its manufacturing facilities to become the hub for POC manufacturing in India. The new entity plans to deploy more resources on the R&D, backwards integration of core technologies like making enzymes /proteins and also develop a data lab for connected devices.

In this regard, the wholly owned subsidiary of the company shall acquire the Medical Devices Business of the Company. In respect of which, the Board of Directors of the Company ("Board") at its meeting held on Wednesday, 1st September 2021, has approved the transfer of the Company's Medical Devices Business, on a going concern basis, by way of a 'Slump Sale' (as defined under section 2(42C) of Income Tax Act, 1961) to a wholly owned subsidiary of the company ("Buyer"), without values being assigned to individual assets and liabilities. All rights and liabilities of the company in relation to Medical Device Business of the Company shall be transferred to the buyer as part of the proposed transaction.

The wholly owned subsidiary company will discharge the consideration by way of issuance of 5,50,00,000 (Five Crore Fifty Lakh) no. of Equity Shares of face value of ₹10/- (Rupees Ten Only) each at par to the Company.

Since it is a transfer of Medical Devices business to a wholly owned subsidiary, there will be no impact on the shareholding of the company after transfer of Medical Devices Business into wholly owned subsidiary company by way of transfer through slump sale.

The Company will be transferring all assets and liabilities pertaining to the Medical Devices Business, including defined undertaking assets, defined undertaking' liabilities, defined undertaking' intellectual property, defined undertaking' employees, defined undertaking' immovable assets, defined undertaking' movable assets, defined undertaking' contracts and all other rights, benefits and privileges (including goodwill) accruing to the relevant transferor and which relate to the Medical Devices Business.

In terms of Section 180(1)(a) of the Companies Act, 2013, a company shall not, except with the consent of the members by way of a Special Resolution, sell, lease, or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company in which the investment of the Company, exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or 20% of the total income of the company during the previous financial year. Since the proposed transaction involves transfer/sale of the Medical Devices Business, in which the investment of the Company, exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or 20% of the total income of the company during the previous financial year, approval of the shareholders under Section 180(1)(a) and all other applicable laws is being sought.

The Board of Directors recommends the **Special Resolution** as set out at Item No. 4 of the Notice for approval by the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in the resolution set forth in the Notice.

**By order of the Board of Directors
For Morepen Laboratories Limited**

**Date: 1st September, 2021
Place: New Delhi**

**Sushil Suri
(Chairman & Managing Director)
DIN: 00012028**

Annexure to the Notice dated 1st September, 2021

The Details of Director retiring by rotation and seeking appointment / re-appointment at the Annual General Meeting

(Pursuant to Secretarial Standards - 2, Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, as amended, from time to time)

Full name	Mr. Sanjay Suri
Date of Birth (Age)	04.08.1968 (53 Years)
Date of first Appointment	13.08.2019
Qualifications	B. Sc.
Expertise in specific functional areas	He has around three decade of experience in the field of accounts, finance, banking and operations of pharmaceutical business.
Directorships in other Companies (excluding foreign companies)	Shivalik Pesticides and Chemicals Private Limited Blueheaven Marketing Private Limited Zios Medical Centre Private Limited Mid-Med Financial Services and Investments Private Limited Solitary Investments and Financial Services Private Limited Solace Investments and Financial Services Private Limited Liquid Holdings Private Limited Total Care Limited Dr. Morepen Limited Happier Life Private Limited
Memberships/Chairmanships of Board Committees in other Companies (includes only Audit Committee and Shareholders/Investor Grievance Committee)	Nil
Details of remuneration sought to be paid and last drawn (approved) remuneration	Remuneration drawn during FY 2020 - 21: ₹379.69 Lakh (For remuneration details, please refer the Corporate Governance Report) Remuneration proposed to be paid: As per existing approved terms of appointment
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	Brother of Mr. Sushil Suri, Chairman and Managing Director and Brother-in-law of Mrs. Anju Suri, Director of the company. Except aforesaid, he is not related to any other Director and Key Managerial Personnel of the company.
No. of meetings of Board attended during the year (2020-2021)	1
Number of shares held in the Company	34,17,240
DIN	00041590
Terms and Conditions of Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Sanjay Suri, who was appointed as a Whole-time Director at 34 th Annual General Meeting held on 13 th September, 2019, is liable to retire by rotation.

**By order of the Board of Directors
For Morepen Laboratories Limited**

**Sushil Suri
(Chairman & Managing Director)
DIN: 00012028**

**Date: 1st September, 2021
Place: New Delhi**