



Let's Connect

Human beings were not meant to live or work in isolation. In personal and corporate life, the key to better decision making and heightened performance is to stay connected across teams, organizations and boundaries.

Let's Communicate

Let each other know. Information that is not shared and knowledge that is not exchanged becomes static. A dynamic performance is the result of teamwork and teamwork is based on communication. It's important to listen and talk, to share our insights and to take relationships forward.

Let's Collaborate

Create a value culture where every member is seen and heard, where teams work in tandem, where every individual is a part of the chain. When collaboration becomes the key word, many minds will work as one and empower the future.

We are all in it together

Together, we make it better.





"We are all in it together. Whether as a society or as an organization, truly significant results are achieved not in isolation but by being linked to each other. It has always been our belief that to get the best out of ourselves, we all need to stay in sync and work in tandem. This, indeed, is the bedrock of excellence.

Staying connected at all levels means greater awareness of each other's actions and thereby, better decision making. The next step is to communicate with each other. Sharing information, correlating ideas and forging bonds leads to loyalty, focus and success.

Logically, when teams and individuals are connected and communicative, it will create a collaborative workplace. It is imperative that teams, departments, branches, organizations and even nations become one. When individuals collaborate, they are more effective and create a value culture that has a positive ripple effect."



Late Shri K.B. Suri
Founder, Morepen Group

CORPORATE INFORMATION

Chairman & Managing Director

Mr. Sushil Suri

Whole-time Director

Mr. Sanjay Suri

Independent Directors

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

Chief Financial Officer

Mr. Ajay Kumar 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. S. P. Babuta and Associates
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 Services (India) Ltd.

Corporate Office

2nd Floor, Tower-C,
DLF Cyber Park, Udyog Vihar-III,
Sector-20, Gurugram, Haryana-122016

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From the desk of Chairman

Our spectacular performance and revenue growth in the year 2021-22 was largely driven by market conditions against the background of the COVID pandemic. We had witnessed a staggering 30% revenue growth, and kept up the growth trajectory that has soared impressively in the last 2 decades. The decline in revenue in the year 2022-23 can be attributed to multiple factors, including market vagaries and large base effect of preceding year.

And yet, there is much to be upbeat about. It is a matter of pride for Morepen that for the third time in a row, the US Food and Drug Administration granted NIL 483 (no adverse findings) registration to our manufacturing facility in Baddi. Four new international patents were filed during the year, by the company. Morepen continues to fund its own growth through its internal accruals without dependence on outside funding support. What is most heartening is the company's performance in the first quarter of 2023-24. It sends out positive signals of resurgence, and indicates our commitment to keeping the growth curve in upward momentum.

The organization has introduced a new work philosophy that aims to celebrate the individual as well as the collective. CONNECT, COMMUNICATE & COLLABORATE is a step forward to ensure that every member of Morepen is connected to the other across teams, business verticals, branches, and locations. Logically, this creates a collaborative workspace where you work as a team and in very diverse ways, contribute to realising singular goals.

Let us remember that Morepen is built of people for the people. Individually, we have power. Collectively, we can be a superpower.

-Sushil Suri



MOREPEN 2.0

NEW EFFORTS
NEW DIRECTIONS
NEW HORIZONS
NEW ETHOS
NEW GOALS

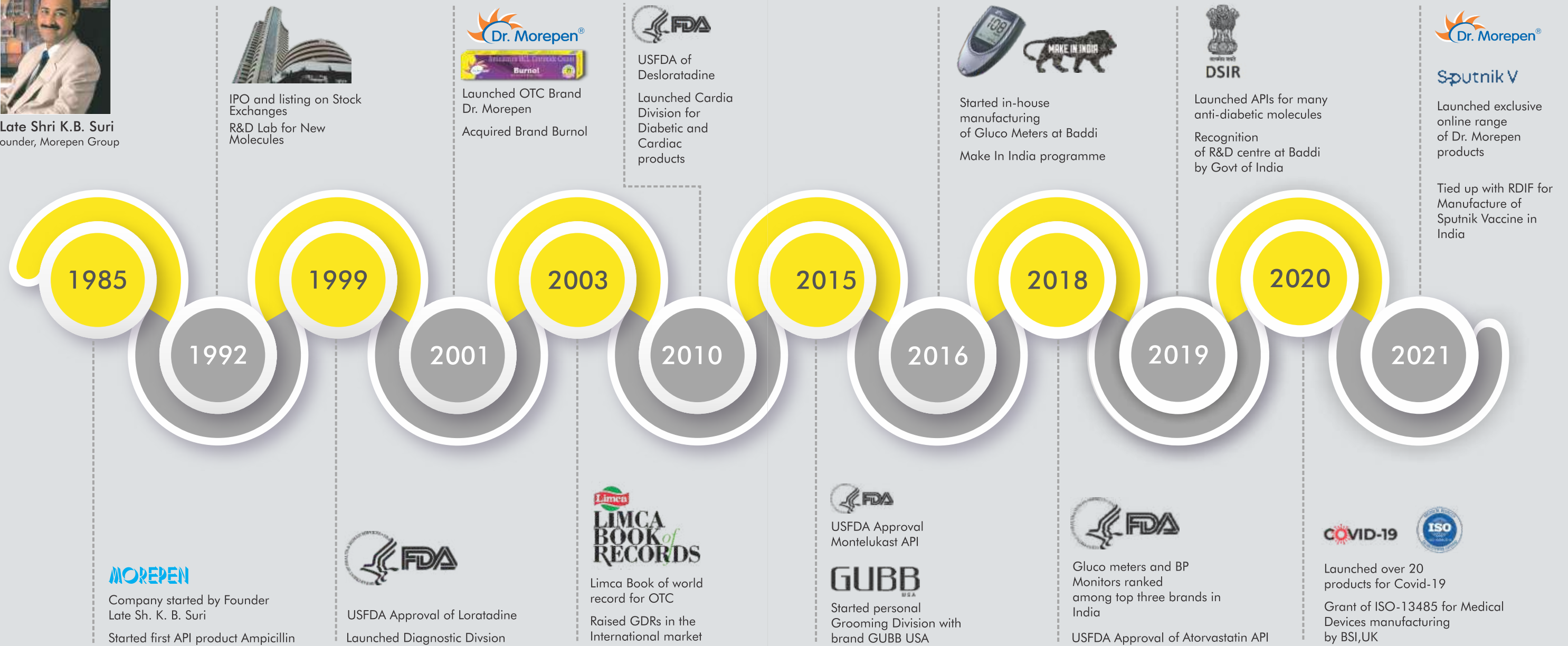




The Journey of Growing Together



Late Shri K.B. Suri
Founder, Morepen Group



Company started by Founder Late Sh. K. B. Suri
Started first API product Ampicillin



USFDA Approval of Loratadine
Launched Diagnostic Division



Limca Book of world record for OTC
Raised GDRs in the International market



USFDA Approval Montelukast API



Started personal Grooming Division with brand GUBB USA



Gluco meters and BP Monitors ranked among top three brands in India

USFDA Approval of Atorvastatin API



Launched over 20 products for Covid-19
Grant of ISO-13485 for Medical Devices manufacturing by BSI,UK



Launched exclusive online range of Dr. Morepen products

Tied up with RDIF for Manufacture of Sputnik Vaccine in India





Global Generics

Making impact worldwide



Sanjay Suri
Whole Time Director

Morepen Laboratories Limited ('the company'), is a well-established player in the domestic and international Active Pharmaceutical Ingredients ('API') markets, broadening its scope by incorporating new products into its product portfolio.

Through continuous emphasis on process enhancement, the company is dedicated to serving humanity by providing high-quality products at affordable prices. The company is deeply committed to the development of new processes and invests significantly in quality assurance protocols. Moreover, the company has intensified its focus on research and development initiatives to introduce innovative products that will contribute to its future growth.

The company continues to be a prominent player in commercial production of blockbuster 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. Other block buster drugs such as Sitagliptin, Saxagliptin, Linagliptin, Vildagliptin of 'Gliptin' series and Empagliflozin, Ertugliflozin L-pyroglyutamic acid, Dapagliflozin Propanediol, Amorphous Dapagliflozin, of 'Gliflozin' series are also produced in the Baddi facility to cater to the requirement of various customers for formulation development and for the patent free countries. After the recent approval of Fexofenadine by USFDA, the company will be exporting huge quantities of Fexofenadine to the US market.

The company has also developed & commercialized various new products such as Vortioxetine Hydrobromide Route (anti-depressant), Vonoprazan Fumarate (anti-ulcerative). In new drugs, the company is in advanced stages of development of Brexpiprazole (anti-depressant), Paliperidone Palmitate (anti-psychotic), Tafamidis Meglumine (transthyretin stabilizer), Baricitinib & Tofacitinib citrate (anti-arthritis) & Bempedoic Acid (anti-cholesterol). Cost effective route of Vortioxetine (anti-depressant; Route II), Nintedanib Esylate (for chronic fibrosis) & Trelagliptin succinate (anti-diabetic) are in advanced stages of development.

With the recent patent expiry of Sitagliptin, Edoxaban, Apixaban, Vortioxetine & Tofacitinib, these new products are likely to contribute significant volume to the company's profit.

The company has filed USDMF for Ertugliflozin L-pyroglyutamic acid & Vonoprazan fumarate in the current year. Other than these USDMF filing regulatory filings were made for Loratadine Baddi route CADIFA Filing, Linagliptin (Health Canada), Dapagliflozin Amorphous (Health Canada), Apixaban-ASMF-France, Linagliptin-ASMF-Hungary and Malta Apixaban-ASMF-Denmark and (AT, DE, EL, ES, HU, MT, PL & PT), Linagliptin-ASMF-Denmark and (AT, EL, ES, MT & PT) Saxagliptin H2-1 HCl salt -ASMF (Hungary, Malta), Sitagliptin Phosphate Anhydrous-ASMF-(Greece).



During the year, the company is exploring new horizons with developing anti-arthritis drugs such as Tofacitinib, Upadacitinib & Baricitinib. Arthritis is one of the most dominant diseases in the world. Development of Anti-Gout drugs like Febuxostat in combination with anti-arthritis drugs will open another new category which the company will be catering worldwide.

The company is also looking ahead with a whole lot of new drug candidates such as Bilastine (Anti-histaminic), Imeglimin Hydrochloride (Anti-diabetic), Ticagrelor (Anti-platelet), Cladribine (Relapsing multiple sclerosis), Macitentan (For pulmonary arterial hypertension), Vericiguat (Systolic heart failure), Cariprazine (Anti-psychotic), Upadacitinib (Anti-arthritis) & Mavacamten (Cardiovascular).

The company is also looking to enter the anti-cancer segment by considering development of various potential candidates comprising key products like Ibrutinib, Enzalutamide, Abemaciclib, Palbociclib, Olaparib & Axitinib.

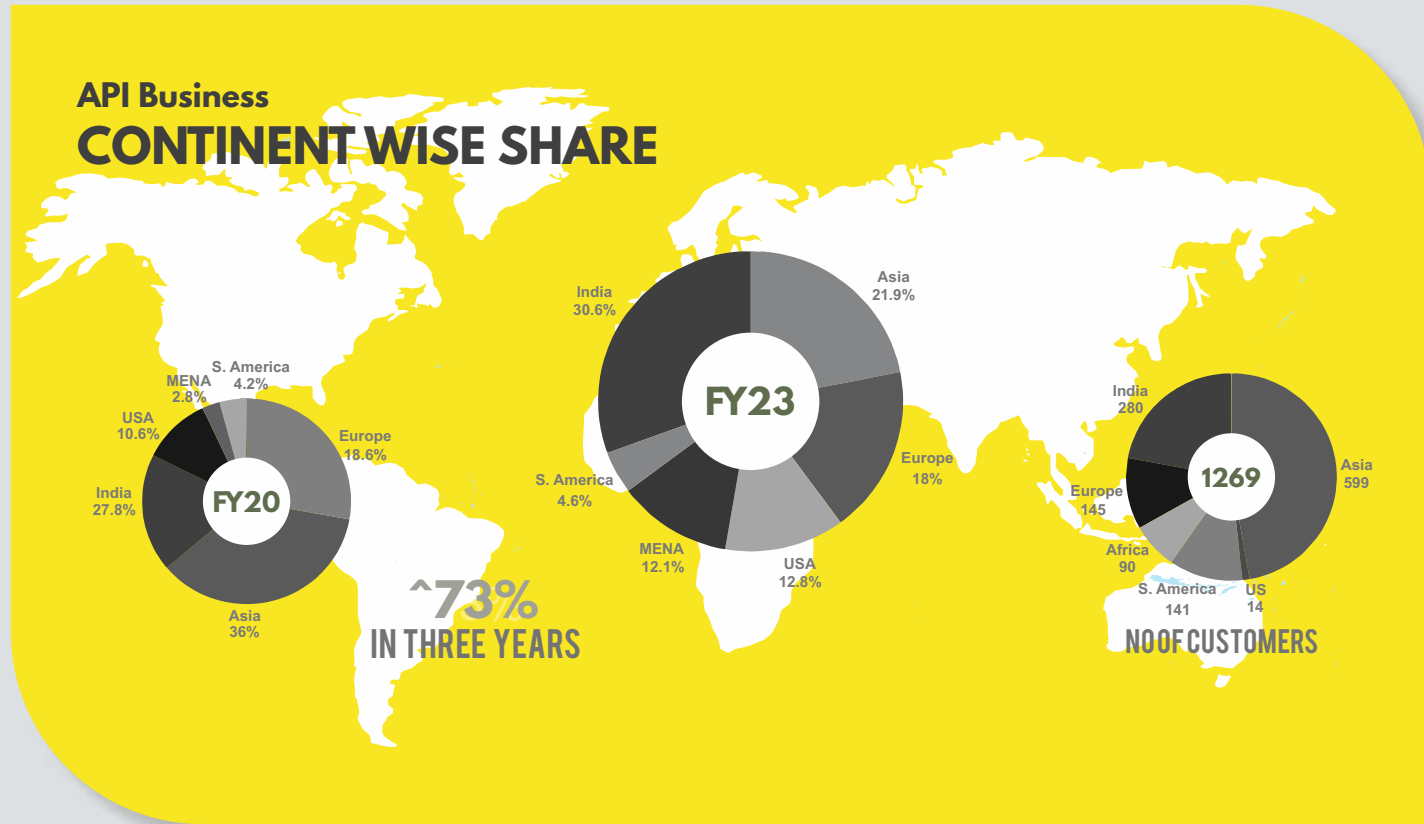
In the area of technological advancement, various new patents were filed by/ granted to the company which are as follows:

- ▶ Indian patent application entitled "An improved process for the synthesis of highly pure Linagliptin along with new polymorph & novel processes for preparation of various polymorphs of Linagliptin" was granted by Indian Patent office as IN388325.
- ▶ PCT National phase application of Rosuvastatin Calcium of new polymorph patent, which was granted in US as US 10,626,093 is now granted in Europe too as EP3445751B1.
- ▶ Indian patent application entitled "Improved processes of Candesartan Cilexetil for control as well as removal of critical Impurities." is granted by Indian Patent Office as IN408806.
- ▶ Indian patent application entitled "Novel process of preparation of new polymorphic form of canagliflozin" is granted by Indian Patent Office as IN417188.
- ▶ Indian patent application entitled "Novel processes for the Purification of apixaban" is granted by Indian Patent Office as IN418378.
- ▶ Indian patent application entitled "New polymorphic form of Crystalline rosuvastatin calcium & novel processes thereof" is granted by Indian Patent Office as IN418781.
- ▶ Indian Patent application titled "An improved process for the preparation of Tafamidis form - 1" was filed as 202211043524.
- ▶ Indian Patent application titled "Novel crystalline polymorphic forms of Tafamidis and processes for preparation thereof" was filed as 202211047452.
- ▶ Indian Patent application titled "Process for the preparation of highly pure Amorphous telmisartan sodium" was filed as IN202211053718.
- ▶ Indian Patent application titled "Improved process for the preparation of tofacitinib citrate" was filed as IN202311014144.
- ▶ Indian Patent application titled "Process for the purification of Bempedoic acid" was filed as IN202311024709.



Team Global Generics



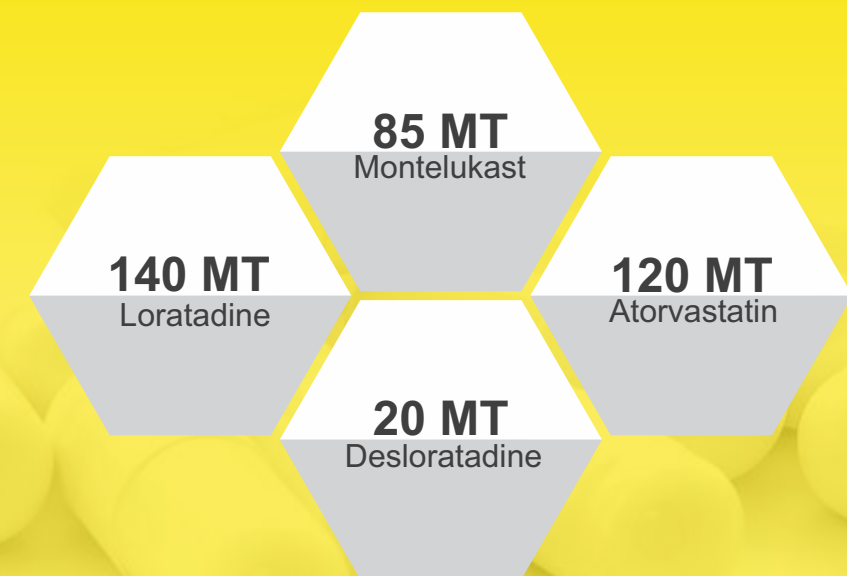


API Business SELECTIVE PORTFOLIO

LORATADINE anti-allergy	MONTELUKAST anti-asthmatic	ATORVASTATIN cholesterol reducer	ROSUVASTATIN cholesterol reducer
DESLOTRADINE anti-allergy	RIVAROXABAN Anti-couglant	FEXOFENADINE Anti-allergy	OLMESARTAN anti-hypertensive
SITAGLIPTIN anti-diabetes	LINAGLIPTIN anti-diabetes	EMPAGLIFLOZIN anti-diabetes	DAPAGLIFLOZIN anti-diabetes

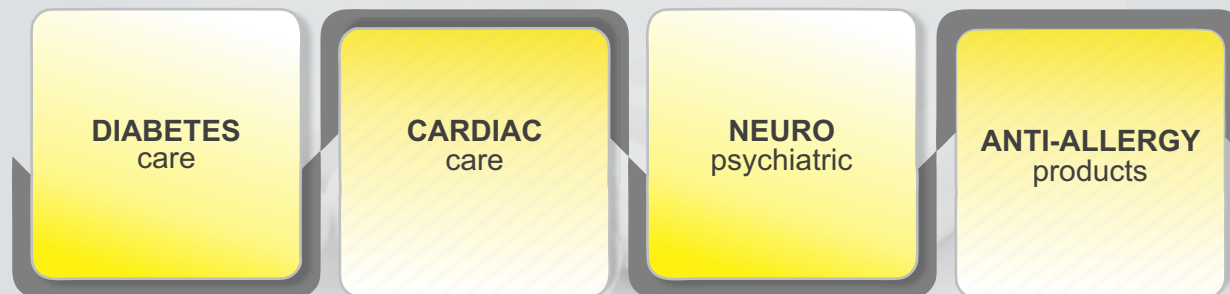
Note: Products are not offered for sale in the territories where there is valid patent of the product

API Business MARKET LEADERSHIP



WORLD'S LARGEST CAPACITIES

API Business SELECTIVE PORTFOLIO



LIFESTYLE PRODUCTS FOR CHRONIC USE



Kushal Suri
Director - API Sales & Marketing





Global Generics REGULATORY STATUS



1997
Loratadine DMF

1998
USFDA Inspection Masulkhana Plant

2003
USFDA Inspection Masulkhana Plant

2007
USD MF Loratadine (HF/BF3 route)

2008
Pioglitazone registration in Iran

2009
• COS(EDQM) Loratadine (HF/BF3 route)
• Atorvastatin DMF approved in Russia
• Fexofenadine EDMF in Slovenia & Czech Republic
• Montelukast Sodium (IDL) in China

2010
• Atorvastatin DMF approved in Korea
• Rosuvastatin launched

2011
• Desloratadine USFDA regulatory inspection-facility approved.
• Desloratadine USD MF approved.
• Montelukast COS, Atorvastatin COS

2012
• Montelukast registration in Russia
• Loratadine registration in Iran
• Montelukast DMF in Korea
• Fexofenadine registration in Iran
• Montelukast DMF in Ukraine approved.

2013
• Desloratadine approved in Russia
• Atorvastatin approved in Taiwan



2014
• Loratadine DMF in Mexico (HF/BF3 route)
• Desloratadine COS
• Sitagliptin DMF in Iran approved.

2015
• Loratadine DMF in Japan approved.
• Rosuvastatin DMF in Ukraine approved.
• TGA-Australia inspections approved
• Montelukast CEP approved in Taiwan
• USFDA regulatory inspections
• Desloratadine approved in all European Countries
• Fexofenadine approved in Taiwan
• Desloratadine COS approved

2016
EUGMP CDSO inspections in Masulkhana Plant

2017
• Fexofenadine COS (EDQM) approved.
• Rosuvastatin TDMF in Taiwan approved.
• Rosuvastatin COS (EDQM) approved

2018
• USFDA Regulatory Inspections approval of Masulkhana & Baddi Plants
• Commercial Shipments of Montelukast to US started
• Rosuvastatin Amorphous COS approval
• Loratadine registration (IDL) in China
• Desloratadine approval (IDL) in China
• Fexofenadine registration (IDL) in China

2019
• MFDS Inspections in Korea
• Recognition of Morepen, Baddi R&D Centre by Government of India.

2020
• Sitagliptin CEP (EDQM) Approved
• Dapagliflozin Registered in US
• Empagliflozin Registered in China
• Sitagliptin Registered in US

2021
• Atorvastatin Calcium Approval in Japan
• Dapagliflozin Registered in China
• Saxagliptin Registered in US
• Apixaban Registered in US
• Loratadine Renewal from PMDA
• Edoxaban Registered in US





State-of-the-art Pharma Complex at Baddi



Finished Formulations

Quality and health, staying together

With quality at the core of the company's corporate philosophy, the manufacturing units, testing labs and distribution facilities are dedicated to maintaining the highest quality standards. With an aim to provide quality products to domestic customers, the prescription business of the company is slowly making its presence felt in most of the domestic terrains.



Over the years, the company has been consolidating its position in various therapeutic categories comprising of Gastro, Antibiotics, Vitamins, Nutritional and Anti Diabetics as well as Cardiac. Wide number of product portfolios are being offered to the customers to cater to the varied health needs of each region and cover a wide range of conditions and medical needs.



Health first, the underlying message that COVID 19 has been reasserted and is being put in focus, while carrying out our duties as a responsible corporate.



With the antibiotic range in our product portfolio like Saltum, Klarim, Cefopen, we are committed to provide products in acute as well as chronic segment.





We have been consolidating our position in the Indian probiotics markets. 'Intebact' which was introduced in the probiotic segment, with four patented technology products covering people across all ages, has been growing steadily. The company also launched 'Intebactmun' which has unique strain LJohnsani, which helps exclusively in boosting immunity of adults and kids.

Over last decade, the company is providing cardiac & diabetics drugs under separate dedicated business vertical, 'Cardia' having a portfolio of over 50 plus SKU's. Around 4000 doctors, 25,000 healthcare practitioners (HCP's), 14000 retailers, 1000 stockists & 10 CFA's, across country are being covered by our sales team with the aim of building a healthy future with a vision of "The joy of growing together".





Home Diagnostics

Business moving towards the Make in India initiative

The company under the self-care and diagnostics devices business had started manufacturing of Glucometer, Glucometer Strips, Stethoscope, Thermometer and Pulse Oximeter long back. The company has started manufacturing of two more products viz., Blood Pressure Monitors and Pregnancy Testing Kits during the financial year 2023 to align its strategy with government's 'Make in India' initiative. The company has planned to start manufacturing of Weighing Scales in near future.



Anubhav Suri
Business Head-Medipath Division



The company has cumulatively sold 1180 million Gluco Strips and Gluco Monitors installations have crossed 9.3 million during the current financial year.

The company continues to put in sustained efforts to accomplish new milestones.







Dr. Morepen OTC Business

'Health in your Hands'



Varun Suri
CEO-Consumer Division



'Dr. Morepen' brand, promoting the consumer business of the company through over the counter ('OTC'), products and is expanding its reach on the online channels by putting up more resources as it brings in positive changes in OTC trade channels as well.

Lower sales in top selling products like Burnol, Lemolate, Isabgol, grooming and COVID protection products have contributed to lower revenue for the year.

The brand sharing revenues have reported a revenue growth of 18% for the current year. The online OTC revenues have gone up by 23%. During the current year, the share of online business has reached to 22% from 16% in the last year.





Team Dr. Morepen





NEW ONLINE RANGE



PCOS POWDER



COLLAGEN



MULTI-VITAMINS



PROBIOTICS



IRON & ZINC
GARCINIA



SEXUAL WELLNESS



MUSCLE FOOD



COQ-10 KRILL OIL



STRESS & SLEEP



SLIM SHAKE

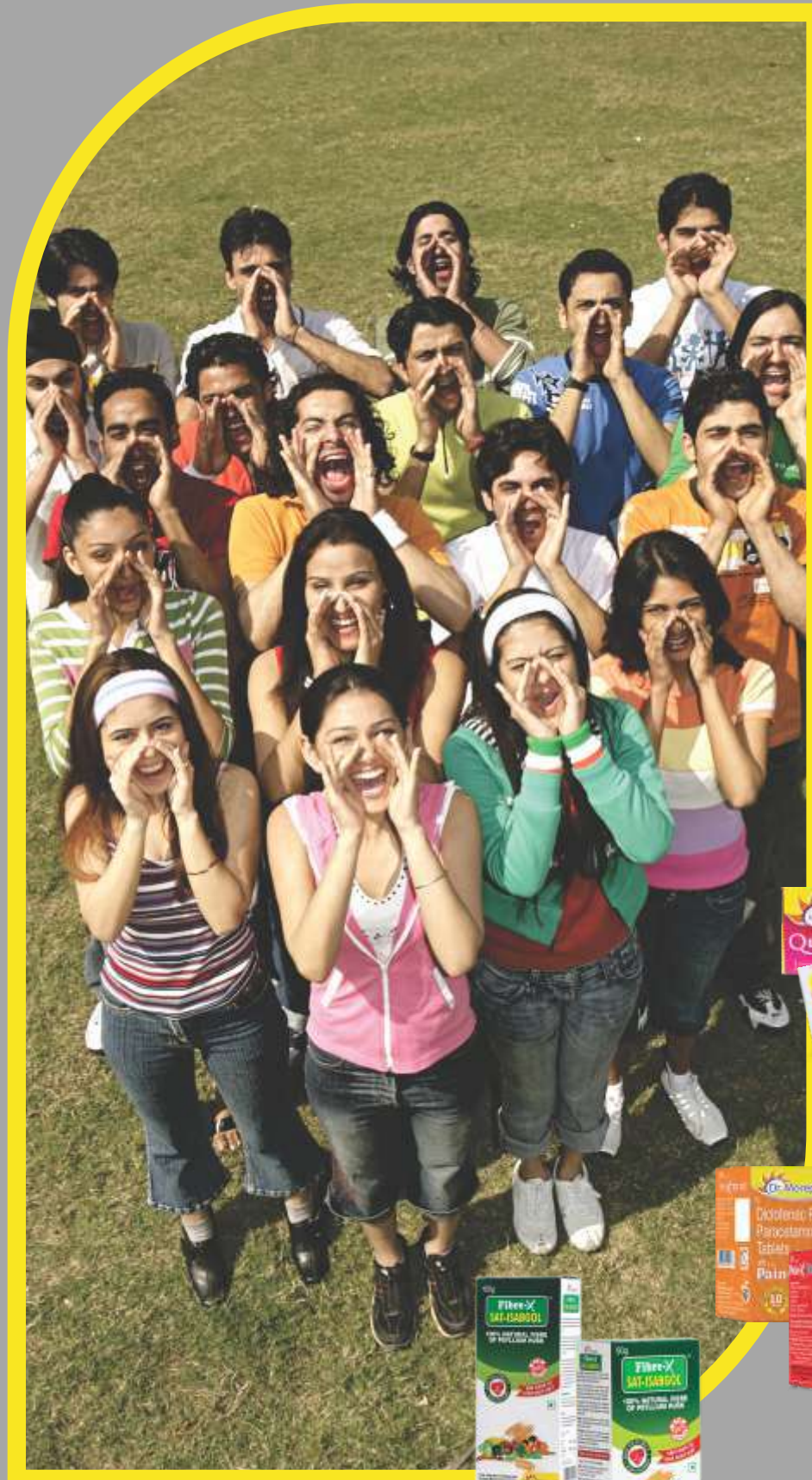


GILOY+TULSI
AMLA JUICE



OMEGA-3







Senior Management Team







DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting the 38th Annual Report on business, operations, and achievements of the company together with the audited financial statements for the financial year ended 31st March 2023.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

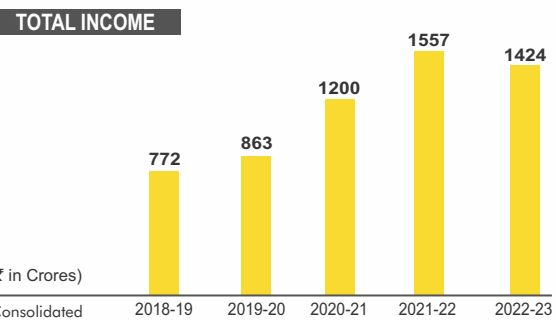
Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Sales	141395.48	154156.51	133547.91	144604.93
Other Operating Income	357.52	526.18	340.42	321.73
Other Income	613.34	1030.72	575.88	1023.53
Total Income	142366.34	155713.41	134464.21	145950.19
Operating Surplus	8566.65	14697.96	8302.86	13937.32
Finance cost	198.08	(736.55)	198.08	(736.55)
Cash Surplus	8368.57	15434.51	8104.78	14673.87
Non-Cash Items:				
Depreciation & Amortisation	2793.04	2764.25	1800.57	2119.49
Profit before Tax	5575.53	12670.26	6304.21	12554.38
Tax - Current Year	1681.78	2528.49	1659.99	2462.35
Tax - Earlier Years	5.86	(274.62)	(0.41)	(262.52)
Deferred Tax	20.34	248.26	20.34	248.26
Profit after Tax before non-controlling interest	3867.55	10168.13	4624.29	10106.29
Less: Non - controlling interest	0.03	(0.14)	-	-
Profit after Tax and non-controlling interest	3867.52	10168.27	4624.29	10106.29
Other Comprehensive Income (Net of Tax)	(148.03)	(37.10)	(144.78)	(36.85)
Total Comprehensive Income	3719.49	10131.17	4479.51	10069.44
EPS (Basic)	0.77	2.26	0.92	2.25
EPS (Diluted)	0.77	1.96	0.92	1.94

REVIEW OF PERFORMANCE

The current year consolidated revenues of ₹142366.34 Lakhs reflect a decrease compared to the previous year's revenues of ₹155713.41 Lakhs. The decline in revenue amounts to 8.57 percent on a year-on-year basis.

In the year under review, the share of export revenue in total sales revenues has increased to 40 percent at ₹57249.13 Lakhs. Although there has been a marginal increase in annual export revenues of around 3 percent, the rise in the share of export revenue indicates a positive trend for the company's international sales. During the period, the company experienced significant growth in its exports to Europe, with a notable increase of 31 percent. Exports to Africa also witnessed a healthy growth rate of 24 percent. On the other hand, the growth rate for exports to the USA was relatively lower at 4 percent. In terms of domestic business, the company experienced a decline of 15 percent. There was also a decline in exports to Asia, with a decrease of 13 percent.

The lower levels of current year revenues are attributed to



multiple factors, including market conditions and large base effect of preceding year, on strength of staggering 30 percent revenue growth recorded during the financial year ending 31st March 2022.

During the year, the home diagnostics business experienced a significant drop in its annual revenues, with a decline of 22 percent. Similarly, the Over the Counter (OTC) business also faced a decline in revenues, with a drop of 11 percent. The API (Active Pharmaceutical Ingredient) business

witnessed a relatively smaller decline of 4 percent in its annual revenues. On the positive side, the domestic formulation business continued its growth journey with a revenue growth of 10 percent during the year. The growth rate for formulation business, in the current year has been at lower levels against previous year revenue growth of 28 percent.

The API business, with annual revenues of ₹82303.76 Lakhs has managed to increase its revenue share in the overall business, despite experiencing 4 percent drop in the current year revenues. API business has remained relatively strong and has contributed significantly to the company's overall revenue. However, within the API business, the anti-allergic drug 'Montelukast' faced challenges during the year. It registered a substantial revenue drop of 24 percent due to lower demand and price realization. On the export front, the API business experienced marginal growth of 2 percent. However the domestic revenue for the API business declined by 15 percent.

The current year's revenues for home diagnostics business have experienced a decline, though there has been consistent growth in the annual revenues with a staggering compound annual growth rate (CAGR) of 44 percent in preceding four years period ending 31st March 2022. The revenues for the current year are at ₹32706.91 Lakhs, against previous year revenues of ₹41891.99 Lakhs. Within the Home diagnostics business, joint revenue drop for blood glucose and blood pressure monitors was at 14 percent. The share of the blood glucose monitor business in the total Home diagnostics business increased to 78 percent, compared to 67 percent in the previous year.

In the current year, all revenue streams, except the Formulation business, have experienced a decline in their

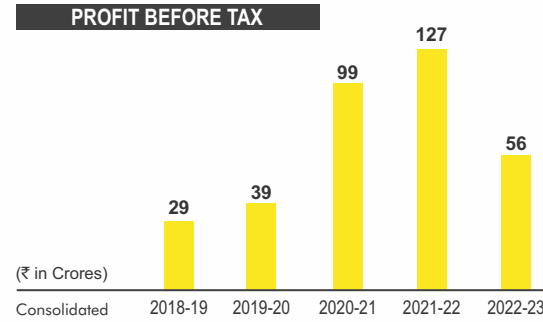
annual revenues. However, the Formulation business with its annual revenues of ₹18537.25 Lakhs has shown growth with a 10 percent increase, although it is lower growth compared to the incredible growth of 28 percent for immediately preceding year. The branded Rx (prescription) business and brand sharing generics business continues to generate higher revenues, registering strong performance in the market. This suggests that the company's branded products and generic medications promoted under its own brand name have maintained their acceptance and demand among consumers. On the other hand, the third-party manufacturing business has remained at previous year's level.

The Over the Counter (OTC) business of the company has recorded a decline of 11 percent in its annual revenues, at ₹9349.37 Lakhs. This decrease can be attributed primarily to lower OTC trade and online revenue. However, a portion of the decline was offset by growth in the brand sharing OTC business.

The drop in annual revenues, coupled with tight price margins and increased spend on sales, marketing, and administrative activities, has resulted in lower profits for the company compared to the previous year. It is worth noting that the company has managed to reduce manpower costs through lower incentive pay outs. Despite challenges, all business segments continue to generate profits, except the formulation business, which is working on improving its operational efficiency.

On a standalone basis, the company recorded annual sales revenues of ₹133547.91 Lakhs during the current financial year, representing a decline of 8 percent against previous year revenues of ₹144604.93 Lakhs.





Financial Performance

Sales

Since financial year 2004-05, the revenues of the company are on growth trajectory with successive year of revenue growth till 31st March 2022. However, revenue growth has taken a pause during the current year. The consolidated sales revenues for the year under review are at lower levels, at ₹141395.48 Lakhs, down by 8 percent against previous year revenues of ₹154156.51 Lakhs. Total income for the current year is at ₹142366.34 Lakhs against ₹155713.41 Lakhs in the preceding year. The export revenues at ₹57249.13 Lakhs are up by 3 percent whereas domestic sales revenues are down by 15 percent for the year under review.

On standalone basis, the company registered sales revenues of ₹133547.91 Lakhs against ₹144604.93 Lakhs of revenues recorded during previous financial year, a degrowth of 8 percent.

Material Cost

The material cost, as a percentage of sales at 67.59 percent, is 48 basis points lower against the previous year material cost of 68.07 percent. The company is improving its sourcing channels to save on input cost which can be shared with its customers, bringing better value for money for company's products.

Employee Cost

The current year employee cost at ₹15468.05 Lakhs is lower against previous year cost of ₹16424.65 Lakhs. However, on account of lower current year sales revenues, the percentage employee cost to annual sales revenues has jumped up to 10.94 percent against 10.65 percent in the last financial year. The company continues to pay merit-based employee compensation so as to retain best talent.

Other Expenses

The consolidated expenditure on manufacturing, sales & marketing and the administrative activities at 16.09 percent of sales revenues, is at higher levels, against 12.75 percent recorded in the preceding financial year. Increased spend on manufacturing, selling & distribution followed by

administrative activities has adversely impacted the bottom line for the current year.

Finance Cost & Depreciation

Finance cost comprises of interest on working capital facilities backed by fixed deposit made by the company, on car loan interest pay outs and interest on delay payment of advance income tax. Annual consolidated depreciation & amortisation charge are marginally up at ₹2793.04 Lakhs against ₹2764.25 Lakhs in the previous year.

Other Operating Income & Other Income

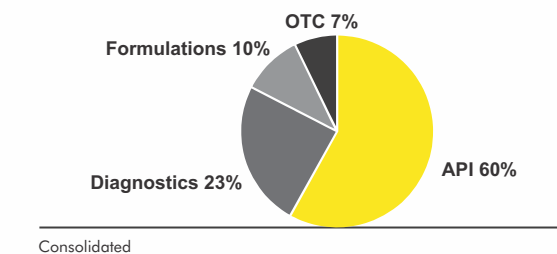
The consolidated other operating income represents export incentives and others. The export incentives for the current year at ₹314.15 Lakhs are marginally up against last year amounting to ₹289.15 Lakhs. Other income for the current year at ₹43.36 Lakhs is lower against ₹237.03 Lakhs in the preceding year.

Consolidated other income representing currency fluctuations, interest income and others is lower at ₹613.34 Lakhs, against previous year of ₹1030.72 Lakhs.

Profit after Tax

The consolidated profit before interest, depreciation and tax is lower at ₹8566.65 Lakhs against ₹14697.96 Lakhs generated in the previous year. Net profit after tax but before share of profit from non-controlling interest is down at ₹3867.55 Lakhs against ₹10168.13 Lakhs in last financial year. The consolidated net profit, net of minority share, at ₹3867.52 Lakhs is down by 61.97 percent over previous years' profit of ₹10168.27 Lakhs. Total Comprehensive Income for the current year is at ₹3719.49 Lakhs against ₹10131.17 Lakhs earned in the previous financial year.

CONSOLIDATED SALE REVENUE



On standalone basis, the net profit after tax for the year is at ₹4624.29 Lakhs as against ₹10106.29 Lakhs during previous financial year, a drop of 54.24 percent. Total Comprehensive Income for the year is down by 55.51 percent, at ₹4479.51 Lakhs vis-a-vis ₹10069.44 Lakhs of the preceding year.

Business wise Performance:

Active Pharmaceutical Ingredients (API)

API business of the company has been a consistent growth driver and the largest revenue generator over the years. It has maintained its top position within the company, even in the current year, despite experiencing lower revenue levels compared to the previous year. The fact that the API business has consistently generated significant revenue highlights its importance and strong performance within the company.

A 15 percent drop in domestic revenues, during current year has contributed to degrowth in API revenues at ₹82303.76 Lakhs against ₹85846.08 Lakhs in the immediately preceding year. Despite dip in current year revenue, API share in standalone sales revenue is higher at 61.63 percent against 59.37 percent in last financial year. The customer base was expanded with addition of 260 new customers. The company's share in total exports from India for Loratadine and Montelukast has remained healthy at 64 percent and 39 percent respectively, whereas the company is working hard to improve its share in Atorvastatin export from current 10 percent levels. From financial year ending 31st March 2020 to 31st March 2023, share of US business has gone up to 12.80 percent from 10.60 percent, followed by increase in domestic business share to 30.60 percent during the year against 27.80 percent in the financial year ending 31st March 2020.

Loratadine and Montelukast, constituting 61 percent of total API revenues with a combined revenue of ₹50417.53 Lakhs, having registered a revenue drop of 13 percent during the year. Montelukast with annual revenues of ₹23584.19 Lakhs has recorded a revenue drop of 24 percent, whereas Loratadine, with annual revenues ₹26833.34 Lakhs is up only marginally. Atorvastatin, third major revenue generating product, has recorded a revenue of ₹13664.79 Lakhs during the year, a growth of 11 percent over preceding year revenues of ₹12261.55 Lakhs.

New molecules have generated a revenue of ₹4033.66 Lakhs during the year, a growth of 21 percent against last year revenues of ₹3338.00 Lakhs.

US Food and Drug Administration (USFDA) inspection was carried out during the year for its manufacturing facility at Baddi, Himachal Pradesh and no adverse findings (NIL 483) were registered during facility inspection. It was 3rd in row USFDA inspection, wherein NIL 483 was granted to the company. Four new international patents were filed during the year by the company.

Home Diagnostics - Point of care Device Business

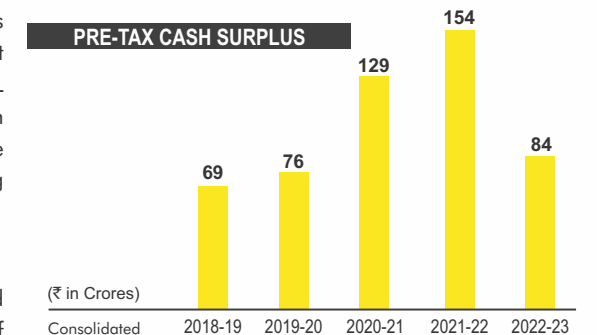
Current year revenues at ₹32706.91 Lakhs, have recorded a degrowth of 22 percent against previous year revenues of



₹41891.99 Lakhs. Last year, highest ever annual revenues for the point of care business were recorded on account of extraordinary demand generated by Covid pandemic. In the last financial year ending 31st March 2022 a revenue growth of 46 percent was recorded against previous year revenues of ₹28736.77 Lakhs.

Blood Gluco business with annual revenues of ₹25410.83 Lakhs, recorded a dip of 9 percent in its annual followed by 31 percent drop in BP monitor revenue at ₹5828.23 Lakhs. The fall in current year revenues has been aggravated by meagre demand in the current year, for items like Thermometers, Nebulisers, Oxygen Concentrator & others, which were extensively consumed during covid period. The revenue from aforesaid point of care products, on account of reasons explained above, have dipped by 74 percent at ₹1467.85 Lakhs.

Despite blip in current year revenues, the Blood Glucose Monitor and Blood Pressure monitor business has recorded tremendous during past many years, recording a compounded annual growth rate (CAGR) of 44 percent and 47 percent respectively, during preceding 4 years. With a view to expand the visibility of its product range across all the geographies, the company is spending on marketing activities by engaging prominent sports and film personalities for advertisement of its products.





Finished Formulations

The finished dosages business is now expanding its reach and has recorded a sales revenue of ₹18537.25 Lakhs during the current year against last year revenue of ₹16866.90 Lakhs, a growth of 10 percent. The formulation business has sustained its growth trajectory and has built up the revenue, despite recording tremendous growth of 28 percent in the immediately preceding year.

At ₹6209.72 Lakhs, a growth of 25 percent was recorded in the annual revenue for the branded formulation business for the current year. Brand sharing generics business at ₹6245.02 Lakhs have recorded a growth of 8 percent, whereas contract manufacturing business at ₹6082.51 Lakhs has remained at previous year levels. Under the Branded Prescription (Rx) product category, the top three therapeutic categories namely Antibiotics, Gastroenteritis and Vitamins collectively registered a growth of 18 percent. In the current year, their annual revenues amounted to ₹3587.95 Lakhs, whereas in the previous financial year, sales revenue for these categories was ₹3050.29 Lakhs.

DIVIDEND

Given the growing resource needs for expanding the business of the company, the directors do not recommend any dividend for the year under review. The company's policy on dividend distribution is available at website of the company at <https://www.morepen.com/public/img/Dividend%20Distribution%20Policy.pdf>

RESERVES

Standalone net profit after tax of ₹4624.29 Lakhs, has been carried forward to the 'Retained Earnings' during the year. No amount has been transferred to the general reserve during the current year. A sum of ₹13798.35 Lakhs was added to securities premium account during the year, on account of issuance of 2,13,42,505 Equity Shares, to banks, financial institutions and other at a premium of ₹51.72/- per share and preferential issuance of 1,20,00,000 Equity Shares at a premium of ₹23/- per share to the entities belonging to promoter group (towards conversion of fully convertible warrants).

A sum of ₹1875.00 Lakhs has been transferred to Capital Reserve Account, being amount forfeited towards 3,00,00,000 share warrants, which could not be subscribed by the entities belonging to promoter group within stipulated period and were therefore lapsed during the year.

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 company continues to fund its growth through its internal accruals without relying on any outside funding support. A sum of ₹2250.00 Lakhs, brought in towards balance 75 percent payment of 1,20,00,000 warrants, issued to the entities belonging to promoter group, has been used to fund working capital needs and others.

SHARE CAPITAL

During the year, the Equity Share Capital of the company has gone up by ₹666.85 Lakhs to ₹10222.71 Lakhs against ₹9555.86 Lakhs as of 31st March 2022.

The company, during the current year, has issued 3,33,42,505 Equity Shares of ₹2/- each to banks, financial institutions, promoter entities and other. Out of these 2,13,42,505 Equity Shares, were issued to banks, financial institutions and other, at a premium of ₹51.72/- per share, whereas 1,20,00,000 Equity Shares has been issued at a premium of ₹23/- per share to the entities belonging to the promoter group.

In respect of 50,38,983 Equity Shares surrendered with the company for the cancellation, in compliance with Hon'ble NCLT order dated 12.03.2018, the company has filed an application with Stock Exchanges for the cancellation of these equity shares from its total listed capital. The said application is yet to be approved.

The Equity Shares issued by the company are listed at following Stock Exchanges as on 31st March 2023:

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

Annual listing fee for the financial year 2023-24 has been paid to both the Stock Exchanges. The Equity Shares continue to be listed on NSE and BSE.

SUBSIDIARIES / JOINT VENTURES / ASSOCIATES

The company has incorporated a new wholly owned subsidiary namely, Morepen Rx Limited, to carry out and focus more, on the 'Formulation business', post receipt of requisite approvals, if any.

As on 31st March 2023, the company has five (5) subsidiaries, namely:

- 1. Dr. Morepen Limited
- 2. Morepen Devices Limited
- 3. Morepen Rx Limited





4. Total Care Limited (subsidiary of Dr. Morepen Ltd.)

5. Morepen Bio Inc., USA (Formerly Morepen Inc.)

Dr. Morepen Limited

The current year revenues for the over the counter (OTC) business at ₹9349.37 Lakhs, has recorded revenue a dip of around 11 percent, against last year revenues of ₹10563.99 Lakhs. The drop in current sales have been brought about by lower sales in top selling products like Burnol, Lemolate, Isabgol and also fall in revenue for grooming and covid products.

The current year combined sales revenues for primary brands comprising of Burnol (Burn Cream), Lemolate (Cough & Cold) and Fiber-X (Sat Isabgol) is at ₹1703.84 Lakhs against revenues of ₹1901.77 Lakhs posted in last year.

OTC range, which refers to a range of other over-the-counter products, has experienced a decline in annual revenues. The revenue for OTC range is ₹2372.88 Lakhs, a dip of 24 percent compared to previous year.

The brand sharing revenues have increased to ₹3006.50 Lakhs, representing a growth of 18 percent compared to previous year revenues.

The grooming business, with its annual revenues of ₹2275.09 Lakhs, have recorded a decline of 18 percent in its annual revenues.

Online OTC revenues, at ₹2030.74 Lakhs has gone up by 23 percent during the year. During the current year, the share of online business, has reached 22 percent from 16 percent in the last year.

On account of cleaning up of the trade channels filled with excessive inventory, the company has called back its surplus stocks from such channels, which have affected the sales revenues for the year under review. However, it has helped the company to use the inventory so released to cater to the fresh demands generated and save on new investments to be made on fresh buying.

The company has expanded its reach on the online channels and intends to put more resources for the same as it positively affects OTC trade channels as well.

Morepen Devices Limited & Morepen Rx Limited

No operating activities have been carried out during the year.

Total Care Limited

The company is dealing in OTC & Health Care products. The revenue during the year has been meagre at ₹3.04 Lakhs.

Morepen Bio Inc. (Formerly Morepen Inc.)

Morepen Bio Inc. has been the marketing and distribution interface of the company in USA for its API business, various OTC & other products. However the company intends to use its presence in US markets for Bio similar and other pharmaceutical activities as and when any opportunity arises. During the year, it has also bought Bulk Drugs (i.e. API) from its parents and sell in US and neighbouring markets either directly or through local trade channels.

During the current year, the company has recorded revenue of Rs. 2698.08 Lakhs (\$3,281,931) as against ₹204.46 Lakhs (\$270,205) of previous year. The company has recorded 73 percent growth in post-tax profit at ₹112.38 Lakhs against profit of ₹65.09 Lakhs logged in the previous year.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31st March 2023 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended together with the comparative period data as at and for the previous year ended 31st March 2022.

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 of interests 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

- I. Mrs. Anju Suri (DIN:00042033), a Non-Executive Director, Non-Independent Director, has resigned from the directorship of the company on 22nd June 2022.
- II. The members in their 37th Annual General Meeting (AGM) held on 27th September 2022, approved the appointment of Mr. Sanjay Suri (DIN: 00041590), who retired by rotation at said annual general meeting and being eligible, offered himself for re-appointment.
- III. Pursuant to approval of members at 37th AGM, the term of Mr. Sanjay Suri (DIN: 00041590) as a whole-time director has been extended for a period of 3 years commencing from 13th August 2022 till 12th August 2025.

The existing term of Mr. Sushil Suri (DIN: 00012028) as Chairman & Managing Director of the company, is going to be completed on 19th October 2023. In view of aforesaid, based on the recommendation of nomination and remuneration committee, subject to approval of members of the company at ensuing AGM, the Board of Directors has appointed Mr. Sushil Suri as the Chairman & Managing Director for further period of 3 years, i.e. from 20th October 2023 to 19th October 2026. The Board of Directors is seeking consent of members for re-appointment of Mr. Sushil Suri at 38th AGM.

Mr. Sanjay Suri (DIN: 00041590), is liable to retire by rotation and being eligible, offered himself for re-appointment, at ensuing AGM. The Board of Directors of the company, based on the recommendation of nomination and remuneration committee and subject to approval of members of the company at ensuing AGM, recommend re-appointment of Mr. Sanjay Suri at ensuing AGM. The Board of Directors is seeking consent of members for re-appointment of Mr. Sanjay Suri at 38th AGM.

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 way 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 Eight (8) 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





13th February 2023, without the presence of Non-Independent Directors and members of the Management. 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

As required under 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 judgements 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 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.

The company being one of the top 1000 listed entities, have a Risk Management Committee of the Board of Directors for monitoring and reviewing of the risk and its management thereof.

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 <http://www.morepen.com/pdf/Nomination-and-Remuneration-Policy.pdf>

STATUTORY AUDITORS

M/s. S. P. Babuta & Associates, Chartered Accountants, (FRN: 007657N), were appointed by the members, as the Statutory Auditors of the company, for a term of five (5) consecutive years, to hold office from the conclusion of the 37th AGM of the company held on 27th September 2022 until the conclusion of 42nd AGM of the company, to be held in the year 2027.

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 Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks, or disclaimers, which would be required to be dealt with in the Boards' Report.

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 2022-23. The Secretarial Audit Report is annexed and forms part of this report as **ANNEXURE 'C'**.

Pursuant to the compliance of the Listing Regulations Secretarial Audit Report of Dr. Morepen Ltd., is annexed herewith as **ANNEXURE 'C - 1'**. Dr. Morepen Ltd. was a material unlisted subsidiary company in the financial year 2020-2021 but has not qualified the criteria of material unlisted subsidiary from the financial year 2021-2022 onwards. The company is mandated by law to obtain Secretarial Audit Report up-to three financial years from



the financial year from which the Dr. Morepen Ltd. ceased to be a material subsidiary, in accordance with second proviso of Regulation 15 (2) (a) of the Listing Regulations.

The annexed Secretarial Audit Report of Dr. Morepen Limited is of the second financial year, out of total three succeeding financial years from the financial year in which the status of Dr. Morepen Limited has been changed from the material subsidiary company to subsidiary company.

EXPLANATION TO SECRETARIAL AUDIT REPORT

The notes referred to in the secretarial auditor's report of the company are self-explanatory and do not call for any further comments. The secretarial auditor's report does not contain any qualification, reservation, adverse remark or disclaimer.

The observations made in point no. (g) i.e., cancellation of equity shares surrendered by FD holders, the company has filed application with the Stock Exchanges to take effect of such cancellation of equity shares from total listed capital of the company and awaiting their response, although said shares were cancelled by the Board of Directors. Further, in point no. (h) i.e., appointment of Central Government Nominee Directors, the requisite explanations are already given in point (i) of 'Legal and Corporate Matters', in this report.

The notes referred to in the secretarial auditor's report of Dr. Morepen Ltd., are self-explanatory and do not call for any further comments. The secretarial auditor's report does not contain any qualification, reservation, adverse remark or disclaimer.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

The company being the part of top 1000 listed entity based on the market capitalisation as on 31st March 2022, is required to annex Business Responsibility & Sustainability Report in compliance with Regulation 34(2)(f) of the Listing Regulations, with Annual Report, in enclosed as ANNEXURE 'D'.

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 are required to be audited by the Cost Auditors. The Board of Directors of the company on the recommendation of the Audit Committee,

has appointed M/s. Vijender Sharma & Co., Cost Accountants, as the Cost Auditor of the company for the financial year ended 31st March 2024, at a remuneration of ₹2.50 Lakhs, subject to the ratification of their remuneration by the members at the ensuing AGM.

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 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.

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 'E'.

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 received one complaint, which is disposed of within prescribed time, during the year.

LEGAL & CORPORATE MATTERS

(i) In the matter of appointment of government directors on the board of the company under section 408 of erstwhile Companies Act, 1956, the company's appeal, against Hon'ble National Company Law Tribunal (NCLT) order dated 06th October 2021, confirming appointment of two government directors on the board of the company for a period of 3 years, filed before Hon'ble National Company Law Appellate Tribunal ('NCLAT'), was dismissed vide its order dated 25th April 2023.

However, the company filed an appeal before Hon'ble Supreme Court of India, against the aforesaid order

passed by Hon'ble NCLAT. The Hon'ble Supreme Court has issued notice to the central government and has also granted a stay on the contempt proceedings. The matter is under adjudication.

(ii) In the matter of prosecutions launched by the Registrar of Companies/Central Government against the company and its director's u/s 235 of the erstwhile Companies Act, 1956, the company is defending against the said prosecutions before the Court and the matter is under adjudication.

ANNUAL RETURN

The Annual Return 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 are no material changes and commitments affecting the financial position of the company post-date of signing of Balance Sheet of the company.



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 'H'.

ACKNOWLEDGMENTS

The Directors would like to express their gratitude to various stakeholders for their cooperation, continuous support, and confidence in the management of the company. They extend their thanks to the shareholders, customers, dealers, suppliers, bankers, governments, and all other business associates for their valuable contributions to the company's success. Their support has been instrumental in the company's growth and achievements.

For and on behalf of Board of Directors

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: Gurugram, Haryana
Date: 05th August 2023





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 ¹	Total Care Limited ²	Morepen Bio Inc. ³	Morepen Devices Ltd.	Morepen Rx Ltd.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023	01-04-2022 to 31-03-2023	17-03-2023 to 31-03-2023
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	-	-	US\$/₹ 82.21 (As on 31.03.2023)	-	-
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\$0.01 each)	10.00 (1,00,000 equity shares of ₹10/- each)	5.00 (50,000 Equity Shares of 10/- each)
Reserves & Surplus	446.13	(1,854.10)	401.11	(3.14)	0.35
Total Assets	7688.80	7.75	1790.81	7.06	5.00
Total Liabilities	3174.72	928.46	1367.47	0.20	0.35
Investments	1171.00	-	-	-	-
Turnover	9720.92	3.04	2698.08	-	-
Profit/(Loss) before taxation	(635.60)	0.48	134.18	(0.64)	(0.35)
Provision for taxation	6.27	-	21.79	-	-
Profit after taxation	(641.87)	0.48	112.39	(0.64)	(0.35)
Proposed Dividend	-	-	-	-	-
Percentage of Shareholding	100%	95%	100%	100%	100%

¹ 1,01,69,875 warrants of ₹30/- each, allotted to Blue Heaven Marketing (P) Ltd. and Vignet Trading (P) Ltd., entitling them equivalent no. of equity shares.

² Direct Subsidiary of Dr. Morepen Limited.

³ Formerly Morepen Inc.

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

For and on behalf of Board of Directors

Sushil Suri
 (Chairman & Managing Director)
 DIN: 00012028

Place: Gurugram, Haryana
 Date: 05th August 2023

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	120.47
Mr. Sanjay Suri	Whole-Time Director	45.74

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. 2022-23
Mr. Sushil Suri	Chairman & Managing Director	(47.47)
Mr. Sanjay Suri	Whole-Time Director	(71.88)
Mr. Ajay Kumar Sharma	Chief Financial Officer	11.90
Mr. Vipul Kumar Srivastava	Company Secretary	17.10

B. The percentage increase in the median remuneration of employees in the financial year 2022-23 was 3.78%.

C. The number of permanent employees on the rolls of the company as on 31st March 2023, were 1649.

D. The average percentile increase in the salaries of the employees other than the managerial personnel in the financial year 2022-23 was (1.32%) while there was a fall in managerial remuneration by 52.40%.

E. It is hereby affirmed that the remuneration is as per the Nomination and Remuneration Policy of the company.

For and on behalf of Board of Directors

Sushil Suri
 (Chairman & Managing Director)
 DIN: 00012028

Place: Gurugram, Haryana
 Date: 05th August 2023



ANNEXURE 'C'

(Form No. MR-3)
SECRETARIAL AUDIT REPORT
(FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023)

[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, 2023 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, 2023 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, 2018, as amended;
- d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
Provisions of which, were not applicable.
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021, as amended;
Provisions of which, were not applicable.
- 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, 2021;
Provisions of which, were not applicable, and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended;
Provisions of which, were not applicable.
- (vi) Other laws applicable specifically to the company namely: -
 - a) Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules 1945;
 - b) Drugs (Price Control) Order, 2013;
 - c) Indian Boilers Act, 1923;

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 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;

Mrs. Anju Suri Resigned from the board during the year.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except meeting called and held on shorter notice 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;
- (c) All the resolutions have been passed unanimously and did not find any dissenting views in the minutes;
- (d) 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;
- (e) During the year, the Equity Share Capital of the company has gone up by ₹666.85 Lakhs to ₹10222.71 Lakhs against ₹9555.86 Lakhs as at 31st March 2022.

The company has issued 3,33,42,505 no. of Equity Shares of ₹2/- each to banks, financial institutions, promoter entities and others. Out of these 2,13,42,505 Equity Shares were issued, at a premium of ₹51.72/- per share, whereas

1,20,00,000 no. of Equity Shares have been issued at a premium of ₹23/- per share upon conversion of the share warrants to the entities belonging to the promoter group.

- (f) The company has entered into related party transactions for the sale and purchase of material/products and paying remuneration, inclusive of incentive, to related party personnel. The company explain/claims that all transactions, including increase in remuneration, are in the ordinary course of business and at arm's length;
- (g) In the matter of Scheme of Arrangement and Compromise (the Scheme) U/s. 391 of the erstwhile 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, cancelling the equity shares allotted to FD holders (except those who had traded/ transferred) and refund of FD dues as per the CLB Scheme dated 19.08.2003.

The company sought surrender of aforesaid equity shares by way of individual notices 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 has cancelled all shares surrendered for such cancellations as per the order of Hon'ble NCLT Chandigarh, there being no further surrender of shares the company has declared the completion of cancellation of shares and had published a notice on 28th July, 2021 in the newspapers for information of all the concerned persons.

Though the company had cancelled 50,38,983 shares which were surrendered for cancellations, Register of Members continues to carry the name of these shareholders (the shares are blocked for any right whatsoever), for the disposal of the application of cancellation of these shares filed with Stock Exchanges. The matter is still pending.

- (h) 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 had 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 had approached the Hon'ble NCLT, Chandigarh, in the year 2019 as per the directions of the Hon'ble Supreme Court of India's order dated 09.07.2019 to agitate the subsequent events before the appropriate forum against the order dated 17.05.2007 passed by Hon'ble High Court of Himachal Pradesh at Shimla. The Hon'ble NCLT, Chandigarh, vide its order dated 06.10.2021, affirmed the order passed by Hon'ble High Court of Himachal Pradesh at Shimla.

The company preferred an appeal against the aforesaid order passed by Hon'ble NCLT, Chandigarh, before the Hon'ble National Company Law Appellate Tribunal ('NCLAT'), New Delhi, under section 421 of the Companies Act, 2013, as

amended. On 25.04.2023, the Hon'ble NCLAT upheld the order passed by Hon'ble NCLT, Chandigarh. In the meantime, Union of India filed a contempt application before the Hon'ble NCLT, Chandigarh, against the company and its directors in the aforesaid matter.

The company has appealed against the aforesaid order of Hon'ble NCLAT, New Delhi, before the Hon'ble Supreme Court of India, New Delhi, on 18.05.2023. The Hon'ble Supreme Court of India on 29.05.2023 ordered, inter-alia, stay on the contempt proceedings against the company and its directors pending before the Hon'ble NCLT, Chandigarh and noted that subsequent events have not been taken into notice by the Hon'ble NCLT and Hon'ble NCLAT, despite a clear indication in that behalf in the earlier order dated 09.07.2019. The matter is under adjudication.

- (i) The company convened its 37th Annual General Meeting ('AGM') on 27.09.2022 through video conferencing.

In aforesaid AGM, the company has obtained the consent of the members for the re-appointment of Mr. Sanjay Suri as a whole-time director of the company and also transacted other businesses such as appointment of Statutory Auditors and alterations of Memorandum of Association (Capital Clause) and Articles of Association.

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.

- 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

Praveen Dua
Proprietor
FCS -3573; CP -2139
UDIN: F003573E000746722
PR UIN -11994DE052200

Place: New Delhi
Date: 05th August 2023

For PD and Associates
Company Secretaries

Praveen Dua
Proprietor
FCS -3573; CP -2139
UDIN: F003573E000746722
PR UIN -11994DE052200

Place: New Delhi
Date: 05th August 2023



ANNEXURE 'C-1'

(Form No. MR-3)
SECRETARIAL AUDIT REPORT
(FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023)

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the companies
 (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amended time to time]

To,
 The Members,
 Dr. Morepen Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by Dr. Morepen 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.

Based on our verification of the company' books, papers, minutes 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 the Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended 31st March, 2023, 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 hereafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended 31st March, 2023, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder **(Not applicable during the period under review)**;
- iii. The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder
- 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 **(Not applicable during the period under review)**;
- 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; **(Not applicable during the period under review)**
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; **(Not applicable during the period under review)**
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended; **(Not applicable during the period under review)**
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable during the period under review)**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021, as amended; **(Not applicable during the period under review)**
- 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, 2021; and **(Not applicable during the period under review)**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended; **(Not applicable during the period under review)**;

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

- i. Secretarial Standards with regard to the Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered by the Company (Not applicable during the period under review).

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

We further report that:

- The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the Directors to schedule the Board Meeting, agenda and detailed notes to agenda were sent 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 decisions have been carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

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

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

Convened an Extra-Ordinary General Meeting on 7th March, 2023 to take the consent of members of the Company for extension of warrant exercise period for subscription of 1,01,69,875 (One Crore One Lakh Sixty Nine Thousand Eight Hundred Seventy Five) fully convertible warrants of Rs. 30/- each to be converted into one equity shares of Rs. 10/- each, on preferential basis.

For Ajay. K. & Associates
 Company Secretaries
 Firm Registration No. I2013DE1069100

Ajay Kumar
 Proprietor
 FCS No.: 11019, C.P. No. 12344
 Peer Review Certificate No. 1936/2022
 UDIN: F011019E000743179

Place: New Delhi
 Date: 05th August 2023



To,
The Members,
Dr. Morepen Limited

Our Secretarial Audit Report of even date, for the Financial Year 2022-2023 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Disclaimer

4. 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.

5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For Ajay. K. & Associates
Company Secretaries

Firm Registration No. I2013DE1069100

Ajay Kumar
Proprietor

FCS No.: 11019, C.P. No. 12344
Peer Review Certificate No. 1936/2022

UDIN: F011019E000743179

Place: New Delhi
Date: 05th August 2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A- GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the listed entity	-	L24231HP1984PLC006028
2	Name of the listed entity	-	Morepen Laboratories Limited
3	Year of incorporation	-	1984
4	Registered office address	-	Morepen Village, Nalagarh Road, Malkumajra, Baddi, Solan, Himachal Pradesh, 173205
5	Corporate address	-	2 nd Floor, Tower C, DLF Cyber Park, Udyog Vihar-III, Sector-20, Gurugram, Haryana-122016
6	E-mail	-	investors@morepen.com
7	Telephone	-	+91-124-4892000
8	Website	-	www.morepen.com
9	Financial year for which reporting is being done	-	2022-23
10	Name of the Stock Exchange(s) where shares are listed	-	National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE")
11	Paid-up Capital	-	₹102,23,37,416
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	-	Mr. Sanjay Suri Whole-Time Director sanjay.suri@morepen.com +91-1795-266401-03
13	Reporting boundary	-	Standalone basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Pharmaceutical	Manufacturing and marketing of pharmaceutical products	100

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacture of pharmaceuticals, medicinal and chemical products	210	100

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	4	2 [#]	6
International	-	1 [*]	1

[#] corporate office at Gurugram and registered office at Baddi, Himachal Pradesh

^{*}through its wholly owned subsidiary


17. Markets served by the entity:
a. Number of locations

Locations	Number
National (No. of States)	Pan-India
International (No. of Countries)	80

b. What is the contribution of exports as a percentage of the total turnover of the entity?
 43%

c. A brief on types of customers

The company serves customers on both a business-to-business (B2B) and business-to-consumer (B2C) basis.

IV. Employees
18. Details as at the end of Financial Year:
a. Employees and workers (including differently abled) :

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No.(C)	%(C/A)
EMPLOYEES						
1.	Permanent(D)	1185	1074	90.63%	111	9.37%
2.	Other than Permanent(E)	-	-	-	-	-
3.	Total employees (D+E)	1185	1074	90.63%	111	9.37%
WORKERS						
4.	Permanent(F)	464	429	92.46%	35	7.54%
5.	Other than Permanent(G)	829	745	89.87%	84	10.13%
6.	Total employees (F+G)	1293	1174	90.80%	119	9.20%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No.(C)	%(C/A)
Differently Abled Employees						
1.	Permanent(D)	-	-	-	-	-
2.	Other than Permanent(E)	-	-	-	-	-
3.	Total employees (D+E)	-	-	-	-	-
Differently Abled Workers						
4.	Permanent(F)	-	-	-	-	-
5.	Other than Permanent(G)	-	-	-	-	-
6.	Total employees (F+G)	-	-	-	-	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No(B)	%(B/A)
Board of Directors	7	1	14.29%
Key Management Personnel	4	-	-

20. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	32.5%	23.5%	31.67%	26%	9.7%	24.4%	27.3%	13.5%	26%
Permanent Workers	3.1%	-	2.84%	2.2%	5.6%	2.5%	3.6%	-	3.2%

V. Holding, Subsidiary and Associate Companies (including joint ventures)
21. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Dr. Morepen Limited	Wholly Owned Subsidiary	100	All Policies / practices to the extent relevant are also applicable in conformity with the applicable laws
2.	Morepen Devices Ltd.	Wholly Owned Subsidiary	100	No
3.	Morepen Rx Limited	Wholly Owned Subsidiary	100	No
4.	Morepen Bio Inc.	Wholly Owned Subsidiary	100	No
5.	Total Care Limited	Subsidiary	95	No

VI. CSR Details
22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:- Yes

(ii) Turnover (in Lakhs)- ₹133547.91

(iii) Net worth (in Lakhs)- ₹78011.42

VII. Transparency and Disclosures Compliances
23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes/www.morepen.com	-	-	-	-	-	-
Investors (other than shareholders)	Yes/www.morepen.com	-	-	-	-	-	-
Shareholders	Yes/www.morepen.com	-	-	-	-	-	-
Employees and workers	Yes/www.morepen.com	-	-	-	-	-	-
Customers	Yes/www.morepen.com	-	-	-	-	-	-
Value Chain partners	Yes/www.morepen.com	-	-	-	-	-	-
Other (please specify)	Yes/www.morepen.com	-	-	-	-	-	-

24. Overview of the entity's material responsible business conduct issues

The company has a Risk Management Committee in place which operates under the company's Risk Management Policy. Its focus on risks associated with the company's business and compliance matters. The Committee periodically reviews matters pertaining to risk management. The Risk Management Committee of the Board of Directors regularly updates the company on risks, if any.



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Product quality and safety	Risk	The use of high-quality and safe goods ensures that improved health outcomes are attained. Compromise on pharmaceutical product quality would imply a compromise on patients' overall health and wellbeing. This will also entail failure to comply with GxP (Good Laboratory Practices, Good Manufacturing Practices and Good Clinical Practices). Any lapse can lead to product withdrawals, recalls, regulatory action, decreased sales, reputational risk, increased litigation followed by increase in litigation expense.	Drug product quality and patient safety are the fundamental principles for the company. The company being in the healthcare sector, the nature of its business requires the utmost attention to the quality of its product. We have taken following measures to ensure resilience against the risk: Audits are conducted by the Quality Assurance department to ensure that our high-quality requirements are met. Risks are sought to be managed by appropriate laboratory and clinical studies for each new product, compliance with Good Manufacturing Practices and independent quality assurance systems.	Negative
2.	Innovation Strengthening R&D pipeline	Opportunity	Innovation and R&D plays an important role in determining the long-term success of our company. The cutting edge research includes engaging in the discovery of NCEs, developing new processes for known APIs and developing value added & differentiated formulations. These developments come out as the differentiators for the	It is an opportunity	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			company, and thus, leads to an increase in revenues as well. We have committed to invest dedicatedly to tap opportunities and introduce new therapies, medical benefits and formulations across the globe. Positive Accelerating.		

SECTION B- MANAGEMENT AND PROCESS DISCLOSURES

P1	Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in the value chains.
P4	Businesses should respect the interests of, and be responsive towards all its stakeholders.
P5	Businesses should respect and promote human rights.
P6	Business should respect and make efforts to protect restore the environment.
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

Policy and management processes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes, the company has developed comprehensive policies covering these principles, some of the policies have been approved by the Board as per relevant statutory requirements.								
c. Web Link of the Policies, if available	Policy is available on the website of the company i.e., www.morepen.com/investors and the policies which are internal to the company are available on the intranet of the company.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	No	No	No	No	No	No	No	No
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The specific commitments, goals and targets are provided in the respective capitals of the integrated annual report, wherever applicable.								



6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The performance against specific commitments, goals and targets are provided in the respective capitals of the integrated annual report, wherever applicable.
Governance, leadership and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	The company is continuously working on increasing medicine affordability and accessibility throughout the globe through production, research and distribution of generic medicines and making healthcare reachable to all. Our company is built on core values viz.integrity, passion for excellence, participative decision making, concern for society & environment, fairness with care and transparency. Thus, working on sustainability is imbibed in our ethos, and the same is reflected through our values and behavior towards sustainability and stakeholders. The company recognizes the global climate change challenge and pledges to reduce its carbon footprint by the prudent use of natural resources, the utilization of renewable energy sources and initiatives to positively contribute to the environment. While we intend to expand in core geographies and invest in new markets, we endeavor to provide affordable medicines to society. We instill sustainability in all our activities in order to create long-term value. This year we have conducted a detailed exercise to develop our ESG framework with clear targets and roadmap to achieve the same. The company is environmentally conscious and it makes best possible efforts to minimize its carbon footprint. We are committed to extend sustainable operations even to our suppliers and contractors.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Sanjay Suri Whole-Time Director DIN: 00041590
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Mr. Sanjay Suri, Whole-Time Director of the company, oversees the Business Responsibility and Sustainability initiatives of the company.

10. Details of Review of NGRBCs by the company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Mr. Sanjay Suri, Whole-Time Director of the company reviews the performances of each policy and place before the Board of Directors.									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Ongoing basis								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is No i.e. not all Principles are covered by a policy, reasons to be stated :
Not applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 : Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage covered by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	1	P1 to P9	100
Key Managerial Personnel	1	P1 to P9	100
Employees other than Board of Directors and KMPs	78	P3 & P8	40
Workers	–	–	–

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

There were no cases of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year 2022-23.

Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			NIL		
Settlement					
Compounding fee					

Non-Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			NIL		
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

S.No.	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NOT APPLICABLE		

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

At Morepen, we firmly believe and adhere to transparent, fair and ethical governance practices to encourage professionalism, honesty, integrity and ethical behavior. We have a zero tolerance approach to bribery and



corruption, which is embedded in the company's "Anti-Bribery and Anti-Corruption Policy", applicable to all employees of Morepen group and third parties engaged in activities with the company. The policy is an extension of our values and reflects our continued commitment to ethical business practices across our operations. All employees are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. Any violation of the said policy may also include have significant consequences, including potential prosecution, fines and other penalties for improper conduct, as well as imprisonment and/or disciplinary action up to and including termination of the concerned.

The policy also provides information and guidance on how to recognize and deal with bribery and corruption issues. The policy has been provided to all employees and is also available for viewing at <https://www.morepen.com/investors>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

There were no cases of disciplinary action taken by any law enforcement agency for the charges of bribery/ corruption against Director/KMP/employees/workers in the financial year 2021-22 & 2022-23.

Category	FY 2022-23	FY 2021-22
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

No complaints were received in relation to issues of conflict of interest in the financial year 2021-22 & 2022-23.

Category	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of conflict of interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

The company, being in the first year of adoption of Business Responsibility and Sustainability Reporting, has not conducted any awareness programmes for value chain partners during the financial year under review. The company strives to conduct such programmes in forthcoming year.

S. No.	Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NIL			

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

We are committed to upholding the highest standards of corporate governance and ensuring the avoidance of any conflicts of interest within our organization. To achieve this, we have implemented an effective mechanism that promotes transparency and accountability among our Board of Directors. At the onset of each financial year, during the first board meeting, all Directors are required to disclose their interests that could potentially pose a conflict with their fiduciary duties. Further, in the event that our company enters into transaction in which any of the Directors are interested, the concerned Director abstains from participating in the discussion and left the meeting for that particular matter.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	FY 2022-23	FY 2021-23	Details of improvements in environmental and social impacts
R&D	4.25%	10.20%	The company is committed towards contributing to manage climate change. Environmental risks are evaluated for all processes, storage and handling operations at site. Health, Safety and Environment aspects are taken care while designing manufacturing processes at Research and Development Centre. Two main R&D efforts shows the eco-friendly environmental approach towards process development. First was preparation of Atorvastatin key intermediate in 24 hours from existing 72 hours. Second was implementation of UPLC system in Analytical Lab which reduced the run time of reaction monitoring which in turn reduced the amount of solvent being used therein. It also led to time saving of valuable resources. The company is determined to address climate change and global warming. As an initiative towards the same, the company has started using eco-friendly refrigerant gas R410 in all its air conditioning operations. The buildings are designed and constructed on the concept of 'Green Building' having natural lights and ventilation. The company have a Health, Safety and Environment policy, which cover all its operations in India. Rainwater Harvesting System is installed at Baddi plant having adequate injection wells with large catchment area. Dense and lush green belt has been developed across all its locations. 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. All the company's facilities have obtained approval/certifications such as WHO GMP, USFDA and EDQM, in conformation of structured and conscious efforts and processes for energy management and conservation.
Capex	4.90%	4.55%	The company is determined to address climate change and global warming. As an initiative towards the same, Morepen has started using eco-friendly refrigerant gas R410 in all its air conditioning operations. The buildings are designed and constructed on the concept of 'Green Building' having natural lights and ventilation. The company have a Health, Safety and Environment policy, which cover all its operations in India. Rainwater Harvesting System is installed at Baddi plant having adequate injection wells with large catchment area. Dense and lush green belt has been developed across all its locations. 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. All the company's facilities have obtained approval/certifications such as WHO GMP, USFDA and EDQM, in conformation of structured and conscious efforts and processes for energy management and conservation.

2. a. Does the entity have procedures in place for sustainable sourcing?

Yes

b. If yes, what percentage of inputs were sourced sustainably?

100% of inputs sourced from critical suppliers is sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Since the company is engaged in pharmaceutical sector, we do not reclaim products for reusing, recycling and disposing them at the end of their life.

However, the company has tied up with state authorized "Shivalik Solid Waste Management Limited" operating in Hazardous Waste Treatment, Storage, and Disposal Facilities in Himachal Pradesh since 2007 for the disposal of Hazardous waste in safe and scientifically engineered ways. With the help of their hazardous waste disposal experts the company has developed a safe, economical, and compliant program for the disposal of our hazardous materials and by-products regardless of their volume or content. They take full responsibility for collecting hazardous waste from our doorstep and help with safe transport, scientific disposal as per the Hazardous Waste Rules, and also recovery of value from waste wherever possible, in line with our focus on sustainability.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, we had sent to third party, who are registered with pollution control board. We are in the process to get registered by submitting waste collection plan in line with EPR submitted with pollution control board.



Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

No

S. No.	NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
NOT APPLICABLE						

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

S. No.	Name of Product / Service	Description of the risk / concern	Action Taken
NOT APPLICABLE			

3. Percentage of recycled or reused input material to total material (by value) used in production.

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY2021-22
Solvents	65.29%	50.8%

*Based on average recycled or reused input material to total material of all plants.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed:

	FY 2022-23			FY2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	15	-	-	16
E-waste	-	-	0.17	-	-	0.13
Hazardous waste	-	1290.71	229.29	-	0.54	196.15
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.
Not Applicable

S. No.	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NOT APPLICABLE		

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (D/A)	Number (F)	% (D/A)
Permanent employees											
Male	1074	919	85.57	919	100	-	-	821	76.9	-	-
Female	111	98	88.14	98	100	80	67.8	-	-	-	-
Total	1185	1017	85.82	1017	100	80	67.8	821	76.9	-	-

Other than permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

b. Details of measures for the well-being of workers.

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (D/A)	Number (F)	% (D/A)
Permanent workers											
Male	429	326	75.99	429	100	-	-	-	-	-	-
Female	35	3	8.57	35	100	-	-	-	-	-	-
Total	464	329	70.91	464	100	-	-	-	-	-	-
Other than permanent employees											
Male	736	736	100	736	100	-	-	-	-	-	-
Female	93	93	100	93	100	93	100	-	-	-	-
Total	829	829	100	829	100	93	100	-	-	-	-

2. Details of retirement benefits, for current FY and previous financial year

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	96.37	80.56	Y	88.55	100	Y
Gratuity	80.15	57.81	Y	64.96	64.76	Y
ESI	41.66	30.20	Y	43.45	38.76	Y
Others-please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Yes, the company's corporate office and all its plant have a systematic plan to ensure workplace accessibility, particularly for people with disabilities. Work areas, restrooms, social areas, and mobility areas within and surrounding facilities have all been constructed with accessibility in mind.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The company provides an inclusive work culture and a discrimination-free environment for all its employees. The company values and embraces diversity and does not discriminate against anyone based on race, gender, religion / beliefs, disability, marital or civil partnership status, age, sexual orientation, gender identity, gender expression, caring responsibilities, or any other protected class of person in the country. The equal opportunity policy is also available for viewing at <https://www.morepen.com/investors>.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100	100	100	100
Female	100	100	100	100
Total	100	100	100	100



6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	Pursuant to the company's Grievance Redressal Mechanism, all employees and workers, whether on a permanent or contractual basis, are entitled to seek redress for any grievances they may have. As per the said mechanism, to seek redress, a written complaint must be filed with the relevant Head of Department in the first instance, then to Human Resource Department and then to the Plant Head/Director of the company, as the case may be. The Human Resource Department oversees the process, aiming for prompt and fair resolutions to maintain a positive work environment.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. Membership of employees and worker in association(s) or unions recognized by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	713	-	-	639	-	-
- Male	645	-	-	571	-	-
- Female	68	-	-	68	-	-
Total Permanent Workers	464	-	-	431	-	-
- Male	429	-	-	398	-	-
- Female	35	-	-	33	-	-

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	645	645	100	645	100	571	571	100	571	100
Female	68	68	100	68	100	68	68	100	68	100
Total	713	713	100	713	100	639	639	100	639	100
Workers										
Male	429	429	100	429	100	398	398	100	398	100
Female	35	35	100	35	100	33	33	100	33	100
Total	464	464	100	464	100	431	431	100	431	100

9. Details of performance and career development reviews of employees and workers

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1074	1074	100	1027	1027	100
Female	111	111	100	109	109	100
Total	1185	1185	100	1136	1136	100

Workers						
Male	429	429	100	398	398	100
Female	35	35	100	33	33	100
Total	464	464	100	431	431	100

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes, all manufacturing facilities have an Environment, Health and Safety ("EHS") manual in place. The EHS manual and procedures are prepared and implemented in line with EHS policy of the company.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The company conducts regular internal audits to ensure compliance with the EHS management system in its manufacturing operations. EHS trainings are conducted at multiple levels and platforms. Additionally, the company employs various methods such as design checklists, Job Safety Analysis (JSA), Hazard and Operability Analysis (HAZOP), Hazard Identification and Risk Assessment (HIRA), and other consequence modeling studies to identify work-related hazards.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

The company has implemented a procedure for reporting near misses, unsafe acts, and unsafe conditions. Moreover, employees undergo training on emergency procedures to ensure preparedness in such situations.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all the employees/workers have access to non-occupational medical and healthcare services

11. Details of safety related incidents:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	2.59
Total recordable work-related injuries	Employees	-	-
	Workers	-	1
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	1

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The company understands that our employees are our most valuable asset, and their health and safety are of paramount importance to us. We have a comprehensive approach to health and safety management, which encompasses all aspects of our operations. The company has implemented an EHS Policy that ensures a safe working environment for all employees, contractors, sub-contractors, and visitors.

In accordance with safety guidelines, it is obligatory to maintain the proper attire while inside the factory premises. This includes wearing a helmet, cap, shoes, and a white coat at all times. These measures are implemented to ensure the well-being and safety of all individuals within the facility. This ensures safety of all employees and maintain hygiene and prevent contamination.

To maintain compliance with this policy, a regular internal audit program is in place. In the event of safety incidents, thorough investigations are conducted to identify the root cause, and corrective and preventive actions (CAPA) are implemented. The company has also documented and implemented an EHS management system along with procedures to ensure effective management of environmental, health, and safety aspects.



13. Number of complaints on the following made by employees and workers;

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	-
Working Conditions	-

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

The company extends the benefit of medical insurance and group personal accident policy for its employees. Benefits like provident fund, extended gratuity payment and superannuation are settled on priority basis.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The company's mechanisms are sufficient to ensure that the statutory dues applicable to the transactions between the company and its value chain partners are deducted and deposited in accordance with regulations. Furthermore, the company expects all its value chain partners to conduct their business transactions ethically and with integrity, upholding standards of fair business practices.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers*		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	-	-	-	-
Workers	-	1*	-	1*

*Injury occurred in FY 2020-21 and family member of such worker has been placed in the company in FY 2021-22

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

As part of its employee development initiatives, the company offers periodic skill-upgradation training programs to all staff members while they are employed. These programs are tailored to meet the specific needs of different job levels and functional areas, enabling employees to acquire skills that can benefit them beyond their current employment with the company.

5. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	-
Working conditions	-

The value chain partners are expected to adhere to the principles of health and safety practices, working conditions as per extant regulations. However, no independent assessment is carried out but the company plans to initiate assessment in succeeding years.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The entire value chain of the company is facilitated by its stakeholders, who are integral to its very existence. The identification of stakeholder involves several processes, firstly, the company conducts comprehensive research and analysis to identify individuals and organizations that are directly or indirectly affected by its operations. Secondly, the company assesses the level of influence, interest, and impact each stakeholder has on its activities and decision-making processes. Lastly, the company prioritizes stakeholders based on their importance and develops tailored engagement strategies to build strong relationships and address their specific needs and concerns.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Users and Consumers, i.e. B2C	No	<ul style="list-style-type: none"> Email Website E-commerce Platforms 	On-going	Gathering feedback on products and services, address concerns, and provide updates on new developments. The key areas of interest are- <ul style="list-style-type: none"> Product satisfaction & safety concerns Product responsibility Cost competitiveness
2	Consumers, i.e. B2C	No	<ul style="list-style-type: none"> Email Website In-person meetings Virtual meetings 	On-going	Ensuring Quality services. The key areas of interest are- <ul style="list-style-type: none"> Product quality Cost competitiveness Product reach
3	Shareholders/ Investors	No	<ul style="list-style-type: none"> Annual/ quarterly reports and earning calls Investor presentation Email Website 	Quarterly/ event based	Providing financial performance updates, strategic direction and address shareholder queries. The key areas of interest are- <ul style="list-style-type: none"> Company financial performance Business strategy Corporate Governance Regulatory disclosures



S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
4	Government authorities	No	<ul style="list-style-type: none"> Email In-person meetings Submissions 	Event based	Ensuring compliance and prevent any potential non-compliance The key areas of interest are- <ul style="list-style-type: none"> Timely disclosures Regulatory compliance
5	Local Community	Yes	<ul style="list-style-type: none"> Community meetings Website Through NGO 	On-going	Addressing concerns, provide information on environmental impact, and promote community health initiatives through CSR projects. The key areas of interest are- <ul style="list-style-type: none"> Community development programs Upliftment of vulnerable and marginalized group
6	Employees	No	<ul style="list-style-type: none"> Email Employee engagement surveys Town Hall 	On-going	Providing company updates, address employee concerns, and gather feedback. The key areas of interest are- <ul style="list-style-type: none"> Work conditions Career development Company policies & benefits
7	Supplier/Vendor	No	<ul style="list-style-type: none"> Email In-person meetings Virtual meetings 	On-going	Understanding business requirements quality standards, and address vendor concerns. The key areas of interest are- <ul style="list-style-type: none"> Payment terms Product quality Supply chain collaboration

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The stakeholder engagement is a key driving force towards strengthening and diversifying the stakeholder relationship, which further facilitates the identification of key material issues impacting the growth. The establishment of a consultation process between stakeholders and the Board concerning economic, environmental and social issues has not yet been implemented. Nevertheless, the company is resolute in its determination to implement this process in the upcoming years.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The company is yet to implement the stakeholder consultation process on economic, environmental and social topics.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The company recognizes community members as a vulnerable and marginalized stakeholder group. In line with its Corporate Social Responsibility (CSR) initiatives, the company conducts need assessments to identify and prioritize focus areas for community development. As part of its commitment, the company has undertaken diverse CSR initiatives encompassing healthcare, rural development projects, women empowerment, environmental conservation, sanitation, and drinking water projects.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (c)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1073	-	-	1153	-	-
Other than permanent	-	-	-	-	-	-
Total Employees	1073	-	-	1153	-	-
Workers						
Permanent	576	-	-	454	-	-
Other than permanent	829	-	-	771	-	-
Total Employees	1405	-	-	1225	-	-

2. Details of minimum wages paid to employees:

Category	FY 2022-23						FY 2021-22			
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	645	-	-	645	100	571	-	-	571	100
Female	68	-	-	68	100	68	-	-	60	100
Other than Permanent										
Male	70	-	-	70	100	34	-	-	34	100
Female	5	-	-	5	100	8	-	-	8	100



Workers										
Permanent										
Male	429	-	-	429	100	398	-	-	398	100
Female	35	-	-	35	100	33	-	-	33	100
Other than Permanent										
Male	745	351	47.11	394	52.88	722	198	27.42	524	72.57
Female	84	61	72.61	23	27.39	49	39	79.59	10	20.41

3. Details of remuneration/salary/wages:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors ¹	2	3,29,16,950	-	-
Key Managerial Personnel ²	2	73,37,319	-	-
Employees other than ³ Board of Directors and KMP	1070	4,27,408	111	4,39,281
Workers ⁴	1181	2,21,182	604	3,07,942

¹Includes all components of remuneration, in whatever form, paid to the executive directors only.

²Excludes directors, covered under (i) supra.

³Excludes directors and KMP.

⁴Includes permanent and other than permanent workers to whom salary/ wages paid during the financial year 2022-23.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

We understand the importance of human rights. We also acknowledge issues that may arise affecting our endeavor towards creating a safe work environment free from any form of discriminatory or unethical practices. In accordance with Grievance Redressal Mechanism, Human Resource Department of the company addresses such issues that are reported affecting all kinds of rights including human rights in any form.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The company have a Grievance Redressal Mechanism in place which allows employees and other stakeholders to report any grievances or complaints they may have with a company, including any human rights violation. The mechanism typically involves several steps, including filing a complaint, conducting a thorough investigation, taking appropriate action, and providing feedback to the individual who filed the complaint. The Grievance Redressal Mechanism demonstrates a commitment to creating an inclusive and supportive work environment for all employees and stakeholders. It is an essential component of any company's efforts to promote and protect human rights.

6. Number of complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

In accordance with Vigil Mechanism / Whistle Blower Policy of the company, the identity of the whistle blower shall be kept confidential and no unfair treatment will be meted out to a whistle blower by virtue of his/ her having reported a protected disclosure under the said policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against whistle blowers. Complete protection will, therefore, be given to whistle blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further protected disclosure.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

The company will add the above clause in the agreements in the subsequent financial years.

9. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	-
Forced/involuntary labour	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others – please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

The company has a strong vigil mechanism by means of different policies and procedures and the company is in compliance with the applicable laws. We ensure strict compliance of child labor, forced / involuntary labor, sexual harassment, discrimination at workplace and minimum wages. These issues are a pre-requisite for the ethical functioning of the company. We, at no point tolerate the violation of basic human rights of any of our stakeholders, during the year under review, no business process modified/introduced on account of any grievances/ complaints on human rights.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The company in the reporting period did not undertake any Human rights due-diligence.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the company's corporate office and all its plant have a systematic plan to ensure workplace accessibility, particularly for people with disabilities. Work areas, restrooms, social areas, and mobility areas within and surrounding facilities have all been constructed with accessibility in mind.

4. Details on assessment of value chain partners:

During the year under review, the company has not undertaken assessment of value chain partners.

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	-
Discrimination at workplace	-
Child Labour	-
Forced Labour/Involuntary Labour	-
Wages	-
Others – please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable.


PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment
Essential Indicators
1. Details of total energy consumption (in Joules or multiples) and energy intensity.

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	63740.898 GJ	57120.18 GJ
Total fuel consumption (B)	179030.418 GJ	126255.303 GJ
Energy consumption through other sources (C)	–	–
Total energy consumption (A+B+C)	242771.316 GJ	183375.483 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees lakhs)	1.813	1.369

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

None of our sites/facilities comes under PAT scheme as Designated Consumers.

3. Provide details of the following disclosures related to water:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	3343	6093
(ii) Groundwater	95827	72616
(iii) Third party water	11000	10390
(iv) Seawater / desalinated water	–	–
(v) Others	–	–
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	110170	89099
Total volume of water consumption (in kilolitres)	66368	47001
Water intensity per rupee of turnover (Water consumed / turnover)	0.50	0.35

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The company doesn't have any Zero Liquid Discharge mechanism. After primary treatment, effluent is sent to CETP, which is an agency authorized by pollution control board.

5. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	Kg/Year	12345	5900
Sox	Kg/Year	2077	1018
Particulate matter (PM)	Kg/Year	13820	7584
Persistent organic pollutants (POP)		Not applicable	
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)		Not applicable	
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)			
Total Scope 1 and Scope 2 emissions per rupee of turnover			

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

No, the company is not running any project related to Green House Gas emission.

8. Provide details related to waste management by the entity:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	2.046	0.565
E-waste(B)	0.195	0.132
Bio-medical waste (C)	0.103	–
Construction and demolition waste (D)	–	–
Battery waste (E)	1.296	–
Radioactive waste (F)	–	–
Other Hazardous waste (G)	1852.51	438.52
Total (A + B + C + D + E + F + G)	1856.15	439.29
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	8326.61	4606.10
(ii) Re-used	8326.61	4606.10
(iii) Other recovery operations	1583.22	332.20
Total	18236.44	9544.41
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	91.23	327.50
(ii) Landfilling	190.66	149.28
(iii) Other disposal operations	1630.46	206.52
Total	1912.35	683.30

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We have collected & segregated all the waste as per Pollution Control Board requirements. All hazardous waste is being sent to the authorized vendor through Manifest system (authorized vendor by PCB)

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required:



We do not carry out any operations in ecologically sensitive areas. Additionally, we do not have any offices or plants located in those areas.

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

We have not undertaken any environmental impact assessments during financial year 2022-23.

S. No.	Name and brief details of project	EIA Notification No	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable						

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances:

Yes

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable sources:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B) (Bio Mass)	81240.711 GJ	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	81240.711 GJ	-
From non-renewable sources		
Total electricity consumption (D)	63740.898 GJ	57120.18 GJ
Total fuel consumption (E)	97789.707 GJ	26255.303 GJ
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	161530.605 GJ	83375.483 GJ

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-

- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	Common Effluent Treatment Plant (CETP)	
- No treatment	-	-
- With treatment – please specify level of treatment	Primary treatment (post primary treatment, sent to CETP) – 35340 KL	Primary treatment (post primary treatment, sent to CETP) – 33600 KL
(v) Others	Municipality drain	
- No treatment	-	-
- With treatment – please specify level of treatment	In house treatment to maintain pH, primary treatment & Aerobic treatment followed by municipality sewage drain – 8462 KL	In house treatment to maintain pH, primary treatment & Aerobic treatment followed by municipality sewage drain – 8498 KL
Total water discharged (in kilolitres)	43802 KL	42098 KL

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area: No facility/plant located in water stress area
- (ii) Nature of operations: NA
- (iii) Water withdrawal, consumption and discharge:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-



4. Please provide details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)		Not applicable	
Total Scope 3 emissions per rupee of turnover		Not applicable	

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Not Applicable			

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Risk Management Committee plays a crucial role in ensuring the smooth functioning of the company during unforeseen events or disasters. They are responsible for overseeing business continuity and disaster management efforts. The company recognizes the importance of business continuity, which refers to the ability to maintain essential business operations even in adverse circumstances. This includes situations like a pandemic, natural disasters, or any other disruptive events. By prioritizing business continuity, the company focuses on developing strategies and plans to mitigate risks and maintain critical functions during challenging times. This involves identifying potential risks, implementing preventive measures, establishing backup systems, and creating contingency plans. By doing so, the company aims to minimize disruptions and ensure the continuity of its core operations.

The business continuity and disaster management plan form an integral part of the company's Risk Management policy. It serves as a guide for the organization to effectively manage risks, respond promptly to crises, and recover quickly from any disruptions.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard

Not applicable

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The company did not evaluate any of its value chain partners on the basis of environmental impact in FY 2022-23.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Four

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	PHD Chamber of Commerce and Industry	National
3	Confederation of Indian Industry	National
4	Delhi Chamber of Commerce	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable

S. No.	Name of authority	Brief of the case	Corrective action taken
Not Applicable			

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Not Applicable

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Not Applicable					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable						

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

In accordance with the established Grievance Redressal Mechanism of the company, the local community and panchayats are provided with a dedicated web link on the company's official website to raise their grievances. These grievances are promptly channeled to the Environmental and Social (E&S) department, which assumes responsibility for their resolution. The company commits to addressing and resolving these complaints within a stipulated time frame of 30 days from the date of complaint submission.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	2.17	1.46
Sourced directly from within the district and neighboring districts	8.71	6.11

*based on domestic input material sourced

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

In the reporting period, the company did not undertake any CSR projects in the designated aspirational district.

S. No.	State	Aspirational District	Amount spent (In INR)
Not applicable			



3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
No
- b. From which marginalized /vulnerable groups do you procure?
NA
- c. What percentage of total procurement (by value) does it constitute?
NA
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Drinking Water Facility in School	400	38
2.	Community Park	650	39
3.	Solar Streetlights	250	47
4.	Irrigation Channels	50	26
5.	Infrastructure to schools	250	48
6.	Health Camp	375	50
7.	Musical Instrument to Mahila Mandal	100	48
8.	Help to Needy	3	100
9.	Financial Aid to Children	4	100
10.	Financial Aid to Widows	11	100
11.	Plantation of trees	700	NA
12.	Sewerage Line Channelization	350	60
13.	Promoting Sports	200	15
14.	Help to Clubs for Strengthening	150	15
15.	Construction of retaining wall in village	75	35

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100
Recycling and/or safe disposal	-

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	-	Not applicable
Forced recalls	-	

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The company do have a policy on cyber security. The web-link for the same is www.morepen.com/investors

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The products and services can be accessed at the website of the company through different web links as under:

API products	https://www.morepen.com/api
Diagnostic division	https://www.morepen.com/homehealth
Finished formulations	https://www.morepen.com/formulations

In addition to the above, diagnostic division products are also available at various e-commerce platforms, Flipkart and Amazon.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The company ensures that all of its products are accompanied by a label that provides essential information regarding their usage. This label serves as a means to communicate important instructions, guidelines, and precautions to the consumers or users of the products. The label typically includes details such as product name, ingredients or components, directions for use, recommended dosage or application, storage instructions, safety precautions, and any necessary warnings or disclaimers. This information is crucial for consumers to understand how to properly use the product, ensure its effectiveness, and avoid any potential risks or misuse.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The company is abide by the relevant laws/regulations, it will inform to the consumers about any risk of disruption/discontinuation of essential services.

4. a. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)

All the information which are required to be provided as per applicable laws are mentioned.

- b. If yes, provide details in brief.

Not applicable

- c. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact :Nil

- b. Percentage of data breaches involving personally identifiable information of customers : NA



ANNEXURE 'E'

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDING 31st MARCH 2023

1. Brief outline on CSR Policy of the Company.

The company has developed a corporate social responsibility policy in alignment with Section 135 of the Companies Act, 2013, and the corresponding rules. Our vision is to actively contribute to various societal aspects, including the promotion of healthcare, with a focus on preventive healthcare. We are dedicated to spreading education, ensuring environmental sustainability, fostering rural development, maintaining ecological balance, protecting flora and fauna, conserving natural resources, and preserving the quality of soil, air, and water. These objectives reflect our commitment to making a positive impact on the community and the environment.

2. Composition of CSR Committee.

Sl. No.	Name of the 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. Bhupender Raj Wadhwa	Independent Director (Member)	3	3
3	Mr. Praveen Kumar Dutt	Independent Director (Member)	3	3

3. Weblink 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 2023: <https://www.morepen.com/Annual-Action-plan-FY-2022-23.pdf>

4. 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

Not applicable during the year under review.

5. (a) Average net profit of the company as per section 135(5) : ₹9,478.50 Lakh.
- (b) Two percent of average net profit of the Company as per section 135(5): ₹189.57 Lakh.
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set off for the financial year, if any: ₹14.63 Lakh (during preceding 3 financial years).
- (e) Total CSR obligation for the financial year (7a+7b- 7c): ₹189.57 Lakh.
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹190.25 Lakhs
- (b) Amount spent in Administrative Overheads : Nil
- (c) Amount spent on Impact Assessment, if applicable : Not applicable
- (d) Total amount spent for the Financial Year [(a) + (b) + (c)] : ₹190.25 Lakhs
- (e) CSR amount spent or unspent for the Financial Year:

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

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

Sl. No.	Particular	Amount (₹ in lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	189.57
(ii)	Total amount spent for the Financial Year	190.25
(iii)	Excess amount spent for the Financial Year[(ii)-(i)]	0.68
(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)]	0.68

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any Amount (in ₹)	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
1.	2021-22	-	-	-	-	-	-
2.	2020-21	-	-	-	-	-	-
3.	2019-20	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If yes, enter the number of Capital assets created/ acquired: Not applicable.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135 : Not applicable.

For Morepen Laboratories Limited

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

Place: Gurugram, Haryana
Date: 05th August 2023



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 2023]

A. CONSERVATION OF ENERGY

1) Energy Conservation measures taken:

- Installed Building Management Systems in AHUs to optimize the energy utilization in automated manner.
- Replaced old reciprocating type air compressors with screw type air compressors.
- Replacement of water ring pumps/water ejectors with dry vacuum pumps to reduce overall load on waste effluent and saving of energy.
- Power factor improvement more than 0.995 in comparison with power factor 0.985 of previous years.
- Step wise Replacement of IE2 motors with IE3 motors continued during the year.
- Continued the automation of condensate recycling process to maintain feed water tank temperature.
- Continued the replacement of Worm reduction gearboxes with Helical Gearboxes.

2) Impact of measures taken:

- Reduction in overall energy bill, power & fuel by around 4.26% 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:

- Evaluating of 40 W Solar Street LED lights (103 Nos.) in villages around factory.
- Installed biomass fuel (renewable and sustainable) fired boiler to replace old pet coke fired boiler.
- Evaluating running of boiler from solvents recovered from waste effluents by stripping process.
- Evaluating alternate methods of COD

reduction in effluent treatment plants like advanced oxidations to make it more efficient and sustainable.

- Evaluation of Solar power plant for administrative block.
- Installed MBR system for tertiary treatment in Sewage treatment plant to replace old sludge drying bed/filter press.

4) Capital investment on energy conservation equipment:

The Capital investment in energy conservation equipment made during the year is at ₹160.00 Lakhs.

B. TECHNOLOGY ABSORPTION (R&D)

1) Efforts made towards technology absorption:

The company has been working on upgrading its working processes in respect of all its business streams. Based on resources available it builds on its Research and Development (R&D) efforts to remain a competitive but quality player. The aforesaid efforts have helped the company to be a formidable player in making available Formulations and APIs at affordable cost. The key areas and efforts undertaken for development/improvements of technologies of various APIs are as under:

- For the scaling up of technology for anti-diabetic category, Ertugliflozin L-pyroglutamic acid, its USDMF was filed.
- In respect of scaling up of technology for anti-ulcerative category, Vonoprazan fumarate, its USDMF was filed.
- The CADIFA was filed for anti-histaminic, Loratadine in Baddi plant.
- The DMF was filed with health Canada for anti-diabetic drugs, Linagliptin & Dapagliflozin.
- The Active substance master file (ASMF) was filed for Anti-coagulant, Apixaban in France.

- The Active substance master file (ASMF) was filed for Anti-diabetic, Linagliptin in France, Denmark & six other European countries.
- The Active substance master file (ASMF) was filed for Anti-diabetic, Saxagliptin hydrochloride dihydrate in Hungary & Malta.
- The Active substance master file (ASMF) was filed for Anti-diabetic, Sitagliptin phosphate anhydrous hydrochloride dihydrate in Greece.
- Cost-effective enzymatic processes using green chemistry are being further explored for Rosuvastatin/Atorvastatin & Sitagliptin.
- Commercialization of Rivaroxaban in Anti-Coagulant category has been done followed by its process validation. Its USDMF & CEP filing are planned for the current year.
- Development of Technology for Paliperidone Palmitate in Anti-psychotic category, Bempedoic acid in cardiovascular category, were completed.
- Development of Technology for Baricitinib in Anti-arthritis category was completed.
- Development & Transfer of Technology of Tafamidis meglumine & Tafamidis acid in transthyretin amyloid cardiomyopathy 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. Molecular docking studies for several lead molecules are in progress.

New Formulations Developed and commercialized in different therapeutic categories.

- Commercialized Al. hydroxide 250mg, Mg hydroxide 250mg, simethicone 50mg suspension (Mint flavor) [powder based] under Antacid category.
- Commercialized Aluminum Hydroxide Powder, Magnesium Hydroxide Powder, Simethicone & Oxetacaine Suspension under Antacid category.
- Commercialized Aluminum Hydroxide Powder, Magnesium Hydroxide Powder &

Simethicone Suspension (orange flavor) [powder based] under Antacid category.

- Commercialized Ambroxol Hydrochloride and Cetirizine syrup (30+5mg/5ml) under Antihistamine category.
- Commercialized under Antitussive and Antihistamine category Dextromethorphan Hydrobromide & Chlorpheniramine Maleate Syrup(10+4mg/5ml)
- Commercialized under Antihistamine category, Ambroxol HCl, Guaiphenesin, Levocetirizine HCl & Menthol syrup(15+50+2.5+1mg+5ml)
- Paracetamol Tablets 650 mg, NSAID commercialized.
- Antidiabetic tablet, Sitagliptin 50 mg and metformin 1000 mg commercialized.
- Antidiabetic tablet, Sitagliptin 50 mg and metformin 500 mg commercialized.
- Commercialized antidiabetic tablets, Sitagliptin Tablets IP 25 mg, 50 mg, 100 mg
- Commercialized Anticoagulant, Apixaban Tablets 2.5 mg, 5 mg
- Commercialized Antihistamine, Bilastine tablets 20 mg
- Developed Antacid- Sodium Bicarbonate Tablets USP 500 mg.
- Developed Urinary alkalizer- Disodium Hydrogen Citrate Syrup

Development under progress :

- Psychostimulants and nootropics category, Citicoline 500 mg and Piracetam 800 mg Tablets
- Anticoagulant, Ticagrelor 90mg Film coated tablet.
- Anticoagulant, Pregabalin capsules 150 mg
- Anthelmintic, Albendazole Chewable tablets 400mg
- Anticonvulsants, Gabapentin 400 mg & Nortriptyline 10 Tablets
- "Laxatives, Milk of Magnesia 11.25 ml+ Liquid Paraffin 3.75 ml in 15 ml suspension"
- "Laxatives, Milk of Magnesia 3.75 ml+ Liquid



Paraffin 1.25 ml, Sodium Picosulfate 3.33 mg in 5 ml suspension”

- Anticonvulsants, Oxcarbazepine Tablets 600 mg, 300 mg, 150 mg
- Anticonvulsants, Oxcarbazepine Suspension USP 300 mg /5 ml
- Antacid, Sodium Bicarbonate Tablets USP 1000 mg
- Sodium Bicarbonate Tablets USP 1000 mg
- Anticonvulsants and tricyclic antidepressant, Pregabalin 75 mg & Nortriptyline 10 Tablets
- Anticoagulants, Rivaroxaban Tablets 10 mg, 15 mg & 20 mg
- Silodosin Capsules 4 mg & 8 mg, Alpha blocker for treatment of benign prostatic hyperplasia Silodosin capsules 8 mg under prostatic hypertrophy agent.

Products under Development under ANDA (ongoing study since last year)

- Antihistamine, Montelukast Tablets USP 10mg
- Antidiabetic, Sitagliptin Tablets 25mg, 50mg, 100mg
- Anticoagulant, Apixaban Tablets 2.5 /5 mg
- Antilipidemic, Atorvastatin Calcium USP Film coated tablets 10/20/40/80 mg
- Antidiabetic, Dapagliflozin Tablet 5 mg/10 mg
- Anticoagulant, Divalproex Sodium film coated ER tablet 500 m
- Electrolyte- Potassium Chloride ER Capsule USP 8 mEq/10 mEq
- Electrolyte - Potassium Chloride film coated ER Tablet USP 8 mEq/10 mEq/20 mEq
- Electrolyte - Potassium Chloride film coated ER Tablet USP 8 mEq /10mEq
- Electrolyte - Potassium Chloride film coated ER- Tablet USP 10 mEq /15 mEq/20 mEq (Micro dispersion technology)

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

By continuing to focus on R&D and building on its areas of operations, the company is positioning itself for future success and growth. This approach not only contributes to the company's competitive

advantage but also reinforces its reputation as a reliable and innovative supplier in the pharmaceutical industry.

On account of its continued focus on development activities, the company has maintained its competitive edge and is building on its market image as reliable supplier of quality drugs. It shall endeavor its efforts to build on its philosophy of investment in R&D activities in its areas of operations comprising of API business, finished dosages business and OTC business.

The benefits brought out by aforesaid efforts including new product development, product improvement, cost reduction, greener technologies and import substitution etc. are detailed hereunder:

- Indian patent application entitled “An improved process for the Synthesis of highly pure linagliptin along with new polymorph & novel Processes for preparation of various polymorphs of Linagliptin” was granted by Indian Patent office as IN388325.
- PCT National phase application of Rosuvastatin Calcium of new polymorph patent, which was granted in US as US 10,626,093, is now granted in Europe too as EP3445751B1.
- Indian patent application entitled “Improved processes of Candesartan Cilexetil for control as well as removal of critical Impurities.” is granted by Indian Patent Office as IN408806.
- Indian patent application entitled “Novel process of preparation of new polymorphic form of canagliflozin” is granted by Indian Patent Office as IN417188.
- Indian patent application entitled “Novel processes for the Purification of apixaban” is granted by Indian Patent Office as IN418378.
- Indian patent application entitled “New polymorphic form of Crystalline rosuvastatin calcium & novel processes thereof” is granted by Indian Patent Office as IN418781.
- Indian Patent application titled” An improved process for the preparation of Tafamidis form 1 “was filed as 202211043524.
- Indian Patent application titled” Novel crystalline polymorphic forms of Tafamidis

and processes for preparation thereof “was filed as 202211047452.

- Indian Patent application titled” Process for the preparation of highly pure Amorphous telmisartan sodium “was filed as IN202211053718.
- Indian Patent application titled” Improved process for the preparation of tofacitinib citrate “was filed as IN202311014144.
- Indian Patent application titled” Process for the purification of Bempedoic acid “was filed as IN202311024709.

3) Future plan of action:

The company is putting in efforts to carry on various R&D initiatives and regularly upgrades its capabilities to stay competitive in the demanding market requirements. The R&D work is focused on:

- New drugs like Enzalutamide in Anti-Cancer Category, Upadacitinib for Rheumatoid Arthritis Category, are being considered for development.
- New drugs like Bilastine in anti-histaminic Category, Imeclidin hydrochloride in anti-diabetic category, Cladribine for relapsing remitting multiple sclerosis, Macitentan for treatment of pulmonary arterial hypertension,

Vericiguat for systolic heart failure are in considered of development for current year.

- More new drugs like Finerenone for treating chronic kidney disease, Cariprazine in anti-psychotic category & Mavacamten in cardiovascular category are being considered for development for current year.
- Set up of new manufacturing plant for Oral Solid formulation for US and other regulated market is under progress.

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

Morepen continues to upgrade its technologies, including their imports. During the year no spending has been made on import of technology.

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

The Company has incurred a total expenditure of ₹949.45 Lakhs, in comparison to expenditure of ₹1209.87 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 under note no. 31.

For and on behalf of Board of Directors

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: Gurugram, Haryana
Date: 05th August 2023



ANNEXURE 'G'

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL PHARMACEUTICAL SCENARIO

The global pharmaceutical and biotech industry is expected to have a supportive operating environment in 2023, despite inflationary pressures and the higher interest rate environment. The demand is expected to normalise following some dislocation in the industry and on the strength of the growing and ageing population, increasing prevalence of chronic diseases, and greater access to healthcare globally.

The total spending and global demand for medicines will increase over the next five years to approximately \$1.9 trillion by 2027, according to a latest report on global use of Medicines.

The underlying growth rate of 3-6% in spending will be driven by new drug launches and wider use of recently launched brands despite efforts by payers to constrain their budgets, and the impact of lower cost options.

Medicine use grew by 36% over the past decade, driven by increased access to medicines. However, growth is projected to slow through 2027 and expected to be about 8% from the 2022 levels. The highest volume growth is expected in Latin America, Asia and Africa, driven by a mix of population growth and expanded access, while North America and Europe will see very low growth. Per capita medicine varies by region with Japan and Western Europe having more than double the use of most other regions.

The global medicine market growth will be marked by divergent trends by the regions. Growth in developed economies continues at relatively steady rates with new products offset by patent expiries; Latin America, Eastern Europe and parts of Asia are expected to grow strongly in volume and greater adoption of novel medicines. The U.S. market growth, on a net price basis, is forecast to adjust up to 2% CAGR through 2027, down from 4% CAGR for the past five years. The impact of exclusivity losses will increase over the next five years, including significant biosimilar introductions in 2023 and 2024. New brand spending in the U.S. is projected to be higher than the last five years but will be a smaller share of total spending.

COVID-19 continues to have an impact on pharmaceutical markets globally and is estimated to expand the net cumulative pharmaceutical market by \$500 billion from 2020 through 2027, mostly linked to vaccines. All regions around the world have exceeded previously projected first-wave vaccination rates while booster utilization is lagging. This creates substantial uncertainty about the future of the pandemic and the potential risks of re-emergence of infections, especially in regions of the world with the lowest immunization and booster rates.

Disruptions in demand for many other medicines, due to delayed diagnoses, continue to play out although global

market growth is forecast to return to pre-pandemic projected levels by 2024.

Specialty medicines are expected to represent about 43% of global spending in 2027 and 56% of total spending in developed markets. Global spending on cancer drugs is expected to reach \$370 billion by 2027, with growth accelerating from the launch and use of novel drugs and limited new biosimilar impact. Immunology spending growth will slow to 3-6% through 2027 from price reductions associated with biosimilar competition as volume growth continues at 12% annually. New therapies for rare neurological disorders, Alzheimer's and migraines are expected to drive spending growth in neurology.

Biotech expects to represent 35% of spending globally in the coming years and will include both breakthrough cell and gene therapies, as well as a maturing biosimilar segment. Major advances are expected to continue, especially in oncology and immunology. The outlook for next generation biotherapeutics includes a definitively uncertain range of clinical and commercial successes.

With the use of cutting-edge digital platforms, big data analytics, cloud computing, and artificial intelligence (AI), the sector is undergoing a transition. Digital technologies are developing in the pharmaceutical sector to streamline important, labor-intensive procedures. They are widely applied in the pharmaceutical value chain in several areas, including drug discovery and development, drug production, smart process automation, maximizing predictive maintenance, and supply chain management.

DOMESTIC PHARMACEUTICAL MARKET

Over the past year, the pharma industry has witnessed greater collaboration, adapted quickly, and adopted innovative approaches to deliver high quality medicines continuously during the pandemic and beyond. The industry has shown unwavering commitment to support the country's healthcare needs as well as enhance its footprint across the world.

With a rising consensus on offering new breakthrough cures to patients, the Indian pharmaceutical market is expected to reach US\$ 65 billion by 2024 and touch \$130 billion in value by the end of 2030. The Indian pharmaceutical industry is worth approximately US\$ 50 billion with over US\$ 25 billion of the value coming from exports. About 20% of the global exports in generic drugs are met by India.

India is among the top 12 destinations for biotechnology worldwide and 3rd largest destination for biotechnology in Asia Pacific. The biosimilars market in India is estimated to grow at a compounded annual growth rate (CAGR) of 22% to become US\$ 12 billion by 2025. This would represent almost 20% of the total pharmaceutical market in India.

A bright future lies ahead for India's pharmaceutical business in 2023, with a greater emphasis on quality manufacturing, medicine affordability, and the use of innovation and technology. However, to combat certain challenges like low R&D spending, scarcity of skilled labour, intellectual property (IP) regulations and rights, and potential export contraction, a sustained agility and robustness in the processes is required.

As the country's footprint grows, pharmaceutical companies are progressively adopting technology to upgrade their manufacturing capacities while also harmonizing regulatory requirements to meet global standards.

Besides this, the development of the single-window system to streamline the drug development process and facilitate fast approvals of commercially viable projects is catalyzing the demand for pharmaceuticals in the country. Additionally, increasing investments in long-term and high-risk projects by various funding avenues in India is offering lucrative growth opportunities to industry investors. Furthermore, inflating income levels and improving medical infrastructure is propelling the sales of pharmaceuticals. Some of the other factors stimulating the growth of the market in the country are lower manufacturing costs, a highly skilled workforce, technological advancements, and enhanced marketing and distribution system.

Indian pharma companies have a substantial share in the prescription market in the US and EU. The largest number of FDA-approved plants outside the US is in India. Pharma businesses in India are going beyond overall operations of pharmaceutical manufacturing and leveraging digital technologies to communicate with key stakeholders including the healthcare professionals and patients in addition to drug research. Through data analysis, companies can now have entire visibility into a patient's path, from diagnosis to disease care. This data-driven knowledge is, aiding in drug development and, as a result, has the potential to improve patient outcomes in future.

Precision medicine i.e., offering real-time insights into how a specific patient's body is responding, is increasingly becoming an area of focus in the Indian pharmaceutical industry, which arose from the concept of personalization and customization of medical care. This knowledge is proposed to improve advanced clinical manufacturing procedures, such as establishing drug exposure models to predict pharmacokinetic and pharmacodynamic features to prepare the needed dosage depending on age, comorbidities, and other clinical parameters.

With the flattening of growth in pharma sales in developed countries, drug makers are increasingly looking to emerging markets for new sources of growth and revenue. This means pharmaceutical companies will focus on global

competencies with strategies tailored for local markets to stay competitive. The pharmerging markets, i.e., countries with low consumption but rapidly growing, will experience a compound annual growth rate of 10.4% till 2026.

Aging populations facing issues such as cardiac failure and hypertension followed by the prevalence of other chronic diseases and an increase in consumer awareness about treatment backed by Government actions aimed at lowering the cost of treating chronic diseases and the growth in health insurance in pharmerging countries have fast paced the growth in the pharmerging market.

MOREPEN'S STRATEGY

ACTIVE PHARMACEUTICAL INGREDIENTS (API)

The company is world leader in Loratadine produced at 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 anti-asthmatic drug, Montelukast Sodium produced at its USFDA approved Masulkhana facility along with Desloratadine, another anti-histaminic drug. Both the facilities have been re-approved by the USFDA for various products such as Loratadine, Desloratadine, Fexofenadine in 2022. The Masulkhana plant also got approval from prestigious PMDA of Japan in 2023.

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 facility at Baddi. Another prominent drugs Sitagliptin, Saxagliptin, Linagliptin, Vildagliptin of 'Gliptin' series and Empagliflozin, Ertugliflozin L-pyroglyutamic acid, Dapagliflozin Propanediol, Amorphous Dapagliflozin, 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. After the recent approval of Fexofenadine by USFDA, Morepen will be exporting huge quantities of Fexofenadine to the US market from this year onwards.

Morepen has also commercialized various new products such as Vortioxetine Hydrobromide (Anti-depressant), Vonoprazan Fumarate (Anti-ulcerative). In new drugs, Morepen is in advanced stages of development of Brexpiprazole (Anti-Depressant), Paliperidone Palmitate (Anti-Psychotic), Tafamidis Meglumine (Transthyretin stabilizer), Baricitinib & Tofacitinib citrate (Anti-arthritis), Nintedanib Esylate (for Chronic fibrosis) and Trelagliptin succinate (Anti-diabetic).

Morepen has filed USDMF for Ertugliflozin L-pyroglyutamic acid & Vonoprazan fumarate in the current year. Other than these USDMF filing, regulatory filings were made for



Loratadine Baddi route CADIFA Filing, Linagliptin (Health Canada), Dapagliflozin Amorphous (Health Canada), Apixaban-ASMF-France, Linagliptin-ASMF-Hungary and Malta, Apixaban-ASMF-Denmark and (AT, DE, EL, ES, HU, MT, PL & PT), Linagliptin-ASMF- Denmark and (AT, EL, ES, MT & PT) Saxagliptin H2-1 HCl salt -ASMF (Hungary, Malta), Sitagliptin Phosphate Anhydrous—ASMF-(Greece).

The company was granted four process/ polymorph patents for Candesartan Cilexetil, Canagliflozin, Apixaban & Rosuvastatin Calcium during the year and another patent was granted for Crystalline Rosuvastatin calcium in Europe. The company has filed Five new patent applications for Novel processes/ New Polymorphs for Tafamidis, Tafamidis Meglumine, Telmisartan Sodium, Tofacitinib citrate & Bempedoic acid.

FORMULATIONS AND HOME HEALTH DIAGNOSTICS

The home health devices business has recorded a contraction of 22 percent during the year under review. We expect the devices business to regain its lost ground in the coming financial year. On the other hand, the formulation business has been up by 10 percent during the year and steadily gaining the momentum after many years. The formulation business is expected to maintain its growth trajectory in the coming years as well. Both the Blood sugar measuring business as well the Blood pressure monitoring devices business registered a de-growth of 12 percent during the year. During the four years ending March 31, 2022, the Blood sugar as well Blood pressure monitoring devices business have recorded a compounded annual growth rate (CAGR) of 44.21% and 46.91% respectively. On overall basis, during these 4 years, the devices business has recorded a compounded annual growth rate (CAGR) of 44.81%. The company has cumulatively sold 1.20 billion Gluco Strips as on close of the year under review, whereas Gluco monitors installations have crossed 9.50 million. The Formulation's business has recorded consecutive growth in current year as well preceding year. It has recovered the ground which was lost during the COVID-19 pandemic period.

The Diagnostics Devices business on the strength of rapid growth over last many years looks promising. The company expects to remain in leadership position for Blood Glucose and Blood Pressure Monitoring business. With greater emphasis on Make in India approach and huge progress have already made, it expects to reduce cost of its products offerings, which will benefit the end consumers.

The customers continue to display their confidence in the quality product offerings of the branded business, and we hope to grow consistently and profitability in the coming years as well.

BRAND SHARING AND PRODUCT CONTRACT MANUFACTURING (PCM)

Brand sharing has registered a growth of around 12 percent during the year, whereas contract manufacturing business did record a small de-growth during the year. Under the brand sharing business, the company has been able to serve the patients across many therapeutic areas, making them connect with brand 'Morepen'.

The company is working hard for the growth and expansion of its Diagnostics, Formulation and OTC business.

OPPORTUNITIES AHEAD

It is important for pharmaceutical companies to stay updated on the evolving healthcare landscape, regulatory changes, and market dynamics to effectively seize these opportunities. Adapting to trends and investing in areas of growth and innovation can drive success in the pharmaceutical industry. The pharmaceutical industry also presents several opportunities for growth and development, key opportunities include -

In the areas of advanced therapies, the advancement of biotechnology, gene editing, cell therapies, and regenerative medicine offers opportunities to develop innovative treatments for various diseases. Investing in research and development in these areas can lead to breakthrough therapies and personalized medicine.

The growing understanding of genetics and biomarkers allows for targeted and personalized treatment approaches. Developing diagnostics, companion diagnostics, and therapies tailored to specific patient populations can provide significant opportunities in precision medicine.

Integrating digital health solutions into healthcare can improve patient care, medication adherence, remote monitoring, and telemedicine services. Pharmaceutical companies can explore partnerships and collaborations to leverage digital tools and platforms for better patient outcome.

The focus on rare diseases and orphan drugs presents opportunities for pharmaceutical companies. Developing therapies for rare diseases can benefit from regulatory incentives and address unmet medical needs in niche markets.

As patents for biologics expire, there are opportunities for the development of biosimilars, which can offer cost-effective alternatives to expensive biologic drugs. Investing in biosimilar development and manufacturing can provide market advantages.

Expanding into emerging markets, such as those in Asia, Latin America, and Africa, can offer significant growth opportunities. Increasing access to healthcare, rising middle-class populations, and changing demographics create new markets for pharmaceutical products.

Collaborating with research institutions, academic

organizations, and other pharmaceutical companies can facilitate knowledge sharing, access to technology platforms, and joint development of drugs or therapies. Strategic partnerships can help accelerate innovation and market entry.

Leveraging data analytics and artificial intelligence (AI) can optimize drug discovery, clinical trials, and supply chain management. AI can enhance predictive analytics, drug repurposing, and adverse event monitoring, leading to more efficient processes and improved outcomes.

Focusing on patient-centric approaches and enhancing patient engagement can lead to better treatment outcomes. Providing educational resources, support programs, and digital tools that empower patients to manage their health can drive loyalty and satisfaction.

Participating in global health initiatives, such as vaccine development, infectious disease management, and addressing public health challenges, can contribute to societal impact while creating business opportunities.

OUTLOOK ON THREATS, RISKS AND CONCERNS

Many new challenges like COVID-19 pandemic, inflation, geopolitics, new therapeutic modalities, and new ways of working have made it vital for pharmaceutical companies to carefully reconsider their long-term choices in sourcing, manufacturing, and supply chain. The Covid-19 pandemic has weakened the public's trust in the pharmaceutical industry and its products. The supply chains have witnessed an unprecedented disruption all around the world, and this represents one of the major challenges facing the pharmaceutical industry. Covid-19 has exposed significant weaknesses in the pharma supply chain. Many pharma companies are looking to supply chain innovations and circular supply chain models to tackle these challenges and build business resilience.

Further, the financial effects of the pandemic, Ukraine war and the subsequent global disruptions in essentials like grain and oil have led to significantly reduced customer purchasing power. Inflation has risen in recent months to levels not seen for decades, leading to increasing costs for labor, raw materials, and transportation. This is over and above the persistent price pressures pharma is already facing, particularly in generics. Since pharma customers are not expected to fully absorb these cost increases, profit margins are under pressure.

Meanwhile, increased state interventions and protectionist trade policies are creating new pressures on manufacturing networks and could drive increased regionalization.

The product landscape also is changing swiftly. New modalities, such as cell and gene therapy and mRNA vaccine technology, have increased from 11 to 21 percent of the drug development pipeline—the fastest growth ever seen in the sector. This change is likely to bring more

fragmentation of technology, new supply chains, and unique product life cycles.

The pharmaceutical industries need to plan for longer-term trends including rapid adoption of "personal diagnostic" tools in the form of wearables like the Apple Watch. Such technologies have the potential to dramatically reduce the number of individuals afflicted by chronic illnesses like diabetes, cardiovascular disease and chronic respiratory disease, and lead to earlier diagnosis of diseases like cancer. At a time when the above illnesses make up a significant portion of pharma's activity worldwide, evolutions here are likely to have a big impact on the pharma industry.

A number of important patents are reaching their end, which means generics will start eating into the sale of proprietary molecules. Not only will these mean lost profits for large companies, but it may also have a destabilising effect on the industry as a whole. Only powerful entities and those who have planned well beforehand, will reap benefit from it.

The entrance of big technology players into the health space are also likely to radically change the pharma industry dynamics. The tech giants have deep pockets and control of the most sophisticated artificial intelligence and machine learning on the market, which we know from Covid-19 are capable of developing new molecules in weeks, rather than months or years. The Pharmaceutical industry has been slow to move on personalisation, but customers have come to expect personalised, immediate interactions and information in all aspects of life. Future technologies will have a significant impact on how we treat disease, and lead to a greater number of cures. The Pharma companies need to tap into this growing demand and expectation for immediate, personalised customer experiences.

The negative impacts of counterfeit medications are hard to quantify, but there's no doubt that it has a serious and significant impact on the companies' bottom line and, most importantly, on patients.

In the backdrop of increasing data breaches and cybersecurity threats, the companies will also need to implement better cybersecurity policies in the office and for remote workers or run the risk of a costly data breach.

The focus for operational leaders may need to shift from the prevailing emphasis on continuous improvement comprising of cost savings, quality assurance, and constant readiness to deliver to longer-term external challenges. These include high inflation and an increase in complexity and risk.

The Pharma industry leaders now have an opportunity to deliver even greater value to their organizations by achieving this shift in focus, by acting quickly, to keep abreast of the challenges confronting the industry.


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

A strong belief in the value of human capital and promoting equal opportunity is crucial for the success and growth of a company. With the adoption of fair practices and rewarding the workforce judiciously, a positive work environment is being created which encourages employees to contribute their best efforts.

The company maintains pleasant and peaceful interpersonal relationships among workers, staff, and officers for fostering collaboration and teamwork. The individuals work together harmoniously, leading to improved productivity and a stronger sense of solidarity within the company.

With 1649 permanent employees on the company's rolls as of 31st March 2023, your company has a substantial workforce. This provides a solid foundation for collective efforts and collaboration, enabling the company to achieve its goals and enhance its value chain.

By continuing to uphold traditions of fair play, equal opportunity, and value chain enhancement, your company is positioning itself for continued progress and success.

KEY FINANCIAL RATIOS

Key financial parameters as on 31st March 2023 on

the basis of Standalone Financials for the year ending 31st March 2023 & 31st March 2022 respectively are as follows;

Particulars	FY 2023	FY 2022
Debtors Turnover (No. of days)	65	47
Inventory Turnover	3.85	4.63
Current Ratio	2.51	2.35
Debt Equity Ratio	0.03	0.03
Operating Profit Margin	6.17%	9.55%
Net Profit Margin	3.44%	6.92%
Net capital turnover ratio	1.68	2.05
Return on Capital employed	5.92%	12.57%
Return on investment	4.18%	9.78%

CAUTIONARY STATEMENT

It is important to acknowledge that the market data and information provided in reports are based on various sources, both published and unpublished. The company recognizes that the authenticity of such information cannot be guaranteed. It is prudent to consider this aspect when relying on the data for decision-making purposes. The management of the company reserves the right to reassess any analytical statements and take appropriate actions to maximize shareholders' value while fulfilling social and corporate obligations.

In the Management Discussions and Analysis Report, certain statements may be forward-looking statements, encompassing the company's objectives, strategies, estimates, expectations, predictions, future plans, and projections. These statements are made in good faith, but it's important to note that actual results may differ due to various factors that may not align with the anticipated future performance and outlook presented in the report.

It is advisable to exercise caution and consider the inherent uncertainties when interpreting and acting upon forward-looking statements. Factors such as market conditions, regulatory changes, economic shifts, and other unforeseen events can impact the actual results of the company. Therefore, it is necessary to regularly reassess the situation and adjust strategies accordingly.

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 2023]

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our company is committed to consistently maintaining the highest standards of Corporate Governance throughout all its business operations. We firmly believe that this commitment fosters a sustainable culture and facilitates long-term value creation for our shareholders. Recognizing the significance of good Corporate Governance in meeting the needs and aspirations of our stakeholders, we consider it an essential requirement.

To achieve this, we prioritize transparency in all our dealings, ensuring that our actions are visible and understandable to all stakeholders. We also implement strong control discipline to maintain accountability and integrity within our organization. By establishing robust policies and practices, we create a framework that supports ethical decision-making and responsible business conduct.

Embracing digital advancements, we have implemented digitally enabled processes and systems that enhance our efficiency and effectiveness. These technologies also contribute to the transparency and accountability of our governance practices.

In summary, our company upholds the highest standards of Corporate Governance by maintaining transparency, implementing strong control discipline, establishing robust policies and practices, adopting digital processes and systems, and ensuring clear accountability, integrity, and transparent governance practices. These principles guide us in creating sustainable value for our shareholders while meeting the needs and aspirations of our stakeholders.

The company is complying with applicable requirements of Corporate Governance and making disclosures in accordance with Regulation 34(3) read with Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

1. BOARD OF DIRECTORS

The Board of Directors (referred to as the 'Board') holds the responsibility and is dedicated to upholding the principles of sound Corporate Governance within the company. Playing a pivotal role, the Board oversees how the management serves the interests of shareholders and other stakeholders in both the short and long term. This commitment is evident in our governance practices, which prioritize the maintenance of an effective, well-informed, and independent Board.

As the apex body constituted by the shareholders, the Board assumes the crucial task of overseeing the overall functioning of the company. It provides strategic direction, evaluates the effectiveness of management policies, and ensures the long-term interests of shareholders are being addressed. The operational conduct of the business, however, has been delegated to the managing director and whole-time director of the company.

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 seven (7) Directors including two (2) Executive Directors and five (5) Non-Executive Independent Directors as on 31st March 2023.

All Independent Directors are eminent professionals bringing wide range of experience in strategy, finance, and business administration. 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 2022-23, the time gap between any two Board Meetings did not exceed one hundred and twenty days.

Except Mr. Sushil Suri and Mr. Sanjay 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 31st March 2023 are given below:

For and on behalf of Board of Directors

Sushil Suri
 (Chairman & Managing Director)
 DIN: 00012028

Place: Gurugram, Haryana
 Date: 05th August 2023



Name of Director	Category	No. of directorships ¹	Committee membership in Listed and Unlisted Companies ²	Committee chairmanship in Listed and Unlisted Companies ²	Directorship in other listed company(ies) and category of directorship as directorship on 31 st March 2023
Mr. Sushil Suri	Chairman & Managing Director -Promoter & Executive Director	2	1	Nil	Nil
Mr. Bhupender Raj Wadhwa	Non-Executive Independent Director	2	2	1	Nil
Mr. Manoj Joshi	Non-Executive Independent Director	1	2	2	Nil
Mr. Praveen Kumar Dutt	Non-Executive Independent Director	2	2	2	Blue Coast Hotels Limited - Non-Executive Independent Director
Mr. Sanjay Suri	Whole-time Director - Executive Director	4	Nil	Nil	Nil
Mrs. (Dr.) Savita	Non-Executive Independent Director	1	Nil	Nil	Nil
Mr. Sukhcharan Singh	Non-Executive Independent Director	2	3	Nil	Nil

¹Excludes directorships in foreign companies, companies registered under Section 8 of the Act, private limited companies, and alternate directorships.

²Includes membership(s) /chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies.

Details of skills/expertise/competence of Board of Directors

As of 31st March 2023, the Board consists of qualified individuals who possess the necessary skills, competence, and expertise to actively contribute to discussions during Board and Committee meetings. The Board of Directors has identified key skills, expertise, and competencies that are essential for effective functioning in the company's business. A matrix has been created to outline these core requirements and the corresponding Directors who possess the following skills, expertise, and competence:

- Industry knowledge/ experience
- Technical skills/ experience
- Behavioural competencies/ personal attributes
- Strategic expertise
- Other skills i.e., leadership, administration, knowledge of finance and taxation etc.

Parameter	Specific skills/ expertise/ competency	Mr. Sushil Suri	Mr. Sanjay Suri	Mr. Manoj Joshi	Mr. Sukhcharan Singh	Mr. Bhupender Raj Wadhwa	Mr. Praveen Kumar Dutt	Mrs. (Dr.) Savita
Industry knowledge & experience	Understanding of the relevant laws, rules, regulation policies applicable to the company/ industry/ sector and level/ status of compliances thereof by the organization.	√	√	√	√	√	√	√
	Understanding of the best corporate governance practices, relevant governance codes, governance structure, processes and practices followed by the company.	√	√	√	√	√	√	√
	Understanding of business ethics, ethical policies, codes and practices of the company.	√	√	√	√	√	√	√
	Understanding of the structures and systems which enable the company to effectively identify, assess and manage risks and crises.	√	√	√	√	√	√	√
	Understanding of international practice applicable on the pharmaceutical industry/ business.	√	√	√	√	√	√	√
Technical skills/ experience	Ability to understand /interpret financial statements and accounts in order to assess the financial health of the company.	√	√	√	√	√	√	√
	Understanding of the finance health of the company and their related merits and risks.	√	√	√	√	√	√	√
	Vision towards potential business opportunities.	√	√	√	√	√	√	√
	Experience of information technology.	√	√	-	-	√	√	√
Behavioural competencies/ personal attributes	Marketing or other specific skills required for the effective performance of the company.	√	√	-	-	-	-	-
	Integrity, ethical standards and mentoring abilities.	√	√	√	√	√	√	√
	Managing people and achieving change interpersonal relations.	√	√	√	√	√	√	√
	Curiosity and courage.	√	√	√	√	√	√	√
Strategic expertise	Genuine interest and instinct.	√	√	√	√	√	√	√
	Strategic thinking and inputs.	√	√	√	√	√	√	√
	Vision and value creation.	√	√	√	√	√	√	√
	Strategy Development.	√	√	√	√	√	√	√
Other skills i.e., Leadership, administration, other knowledge.	Strategy implementation and change.	√	√	√	√	√	√	√
	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

- Mrs. Anju Suri has been resigned from the directorship (Non-Executive, Non-Independent Director) of the company on 22nd June 2022.
- Mr. Sanjay Suri, Whole-Time Director of the company, retired by rotation at the 37th Annual General Meeting ('AGM') and appointed at the said meeting.
- The term of Mr. Sanjay Suri as a Whole-Time Director has been extended by his re-appointment as a Whole-Time Director for a period of 3 years commencing from 13th August 2022 till 12th August 2025. The approval of members for such re-appointment was obtained at 37th AGM.
- Mr. Sanjay Suri, Whole-Time Director of the company, is liable to retire by rotation, being eligible offered himself for re-appointment, at forthcoming AGM.
- Mr. Sushil Suri was re-appointed as Chairman & Managing Director of the company by the Board of Directors of the company in their meeting held on 13th August 2018 for a period of 5 years effective from 20th October 2018, approved by the members at its 33rd AGM held on 21st September 2018. Pursuant to the recommendation of Nomination and Remuneration Committee and approval of Board of Directors of the company at their respective meetings held on 5th August 2023, Mr. Sushil Suri, re-appointed as Managing Director for a period of 3 years (i.e., from 20th October 2023 to 19th October 2026). The said re-appointment is subject to the approval of the members at the forthcoming 38th annual general meeting.

Provided that the pursuant to compliance of SEBI (LODR) Amendment Regulations, 2023 effective from 17th January 2023, approval of members for appointment or re-appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time of three months from the date of appointment, whichever is earlier. The company is following aforesaid requirements of the Listing Regulations.

Senior Management Personnel

Pursuant to company's Code of Conduct for Board Members and Senior Management Personnel ('Code'), all Directors, Key Managerial Personnel, employees in the grade of vice-president & above and all functional heads irrespective of their designation fall under the category of 'Senior Management'. These officials are stationed at all operational locations of the company. On 31st March 2023, there are 27 persons categorised as 'Senior management', abide by the Code and given confirmation thereof on annual basis.

As for as, changes in 'Senior Management' is concern as per requirement of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023, during the year under review following changes are recorded:

S. No.	Name	Designation	Department/ Location	Remarks
1.	Mr. Rakesh Kumar Sharma*	Head-HR	HR / Gurugram	Resignation
2.	Mr. Manjunath H. S.	Chief - R&D	R&D / Gurugram	Appointment
3.	Ms. Rolli Saxena*	GM-HR	HR / Gurugram	Appointment
4.	Mr. Rajeev Kumar Jain	President-(API)	Production/ Himachal Pradesh	Resignation
5.	Mr. Bhola Prasad*	GM- Process Engg. & Tech. Transfer	Engineering/ Himachal Pradesh	Appointment
6.	Mr. Naresh Sharma	VP-(API)	Production/ Himachal Pradesh	Appointment
7.	Mr. Lalit Kumar Baregama	VP - Sales (Regulatory Marketing)	Sales/ Gurugram	Appointment

*Functional head

Binding agreement(s)

Except agreements entered by the company in the normal course of business, which do not impact the management or control of the company or impose any restriction or create any liability upon the company. There is no any agreement entered into by the members, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the company or its subsidiary company(ies), among themselves or with the company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the company or impose any restriction or create any liability upon the company including no such any agreement thereto, whether or not the company is a party to such agreements.

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 as on 31st March 2023.

Number of board meetings and attendance of each Director at the board meetings and the last Annual General Meeting

During the financial year 2022-23, the Board met eight (8) times i.e., on 5th May 2022, 9th May 2022, 27th May 2022, 29th July 2022, 21st September 2022, 10th November 2022, 2nd February 2023 and 13th February 2023. The Annual General Meeting ('AGM') for the financial year 2021-2022, was held on 27th September 2022 through video conferencing/ other audio-visual mode. 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	8	8	Yes
Mrs. Anju Suri ¹	8	1	NA
Mr. Sanjay Suri	8	4	Yes
Mr. Manoj Joshi	8	7	Yes
Mr. Sukhcharan Singh	8	8	Yes
Mr. Bhupender Raj Wadhwa	8	8	Yes
Mr. Praveen Kumar Dutt	8	7	Yes
Mrs. (Dr.) Savita	8	8	Yes

¹Resigned w.e.f., 22nd June 2022.

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 13th February 2023, 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 Regulations and the Companies Act, 2013 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 has mechanism for evaluation of the performance of the Board, Committees, 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, Executive Director, Committees and Chairman of the Board is required to be carried out during the year. Such evaluation has been carried out during the financial year ended 31st March 2023.

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, and the special invitees with the confirmation of the Chairman of the Audit Committee of the company. The reports of Internal Auditors were also placed at the meeting of the Audit Committee on quarterly basis. 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 were held i.e., on 5th May 2022, 29th July 2022, 10th November 2022, and 13th February 2023. The attendance of members are as follows:

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

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 AGM 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 Act;
 - 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;
 - (xxi) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company 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. Praveen Kumar Dutt	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 5th May 2022, 29th July 2022, 10th November 2022 and 13th February 2023. The attendance of members are as follows:

S. No.	Name of the Committee' member	No. of meetings held during the year	No. of meetings Attended
1.	Mr. Praveen Kumar Dutt	4	4
2.	Mr. Bhupender Raj Wadhwa	4	4
3.	Mr. Sukhcharan Singh	4	4

In compliance with Regulation 19(3) of the Listing Regulations, Section 178 of the Companies Act 2013 and the Secretarial Standards, Mr. Praveen Kumar Dutt, Chairman 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:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (ii) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity;
 - c. consider the time commitments of the candidates.
- (iii) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (iv) Formulate a policy on Board diversity;
- (v) 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.
- (vi) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (vii) 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. Nomination and Remuneration Policy of the company is aimed at:

- (i) Identifying persons who are qualified to become Directors and persons who may be appointed at senior management and Key Managerial positions;
- (ii) Attracting talented managerial persons considering the talent market, the remuneration trend and the competitive requirement of the business;
- (iii) Retaining high-calibre talent; and
- (iv) Determining remuneration of Directors, Key Managerial Personnel and functional heads.

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	437.98	39.20	–	–	477.18
Mr. Sanjay Suri	157.16	24.00	–	–	181.16

*Including performance linked incentive.

Details of sitting fee paid to Non-Executive Independent Directors of the company, during the year are as under;
(Amount in ₹/ Lakh)

Name of Director	Sitting Fee
Mr. Manoj Joshi	4.65
Mr. Sukhcharan Singh	6.25
Mr. Bhupender Raj Wadhwa	5.75
Mr. Praveen Kumar Dutt	5.45
Mrs. (Dr.) Savita	3.75

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. Sukhcharan Singh	Non-Executive Independent Director	Member
3.	Mr. Sushil Suri	Executive 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:

- (i) Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (ii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iii) Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (iv) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The company and its Registrar & Share Transfer Agent attended 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 ID 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 also 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 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 status.

The company has received 10 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

The company have 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. Praveen Kumar Dutt	Non-Executive Independent Director	Chairman
02	Mr. Sukhcharan Singh	Non-Executive Independent Director	Member
03	Mr. Sushil Suri	Executive Director	Member

Meetings and attendance during the year

During the period under review, two (2) meetings of Risk Management Committee were held i.e., on 29th July 2022 and 23rd January 2023. The attendance of members are as follows:

S. No.	Name of the Committee' member	No. of meetings held during the year	No. of meetings attended
1.	Mr. Praveen Kumar Dutt	2	2
2.	Mr. Sukhcharan Singh	2	2
3.	Mr. Sushil Suri	2	2

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) Formulation of 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) Applicability of 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) Periodic review of risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (v) Information to the board of directors about the nature and content of its discussions, recommendations and actions to be taken;
- (v) 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. Praveen Kumar Dutt	Non-Executive Independent Director	Member

Role of Corporate Social Responsibility Committee

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

- Formulation and updation of the CSR Policy;
- Decision of the CSR activities to be taken up by the company in accordance with the CSR Policy;
- Decision the amount to be allocated for each project or activity;
- Overseeing and monitoring the progress of the initiatives rolled out under the CSR policy;
- Submission of 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., 29th July 2022, 10th November 2022 and 13th February 2023. The requisite quorum was present at meetings and the 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
2021-22	27.09.2022 at 12.30 p.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, please refer below note 1.
2020-21	28.09.2021 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, please refer below note 2.
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, please refer below note 3.

Note 1:

Details of special resolutions passed at the 37th AGM held on 27.09.2022:

- Re-appointment of Mr. Sanjay Suri as whole-time director.
- Alteration of articles of association of the company.

Note 2:

Details of special resolutions passed at the 36th AGM held on 28.09.2021:

- Approval for transfer of medical devices business of the company to a wholly owned subsidiary company.

Note 3:

Details of special resolutions passed at the 35th AGM held on 30.09.2020:

- Amendment to main object clause of the memorandum of association of the company.
- Adoption of memorandum of association of the company pursuant to the Companies Act, 2013.
- Increase in remuneration of Mr. Sushil Suri (DIN: 00012028), Chairman & Managing Director of the company.
- Increase in remuneration of Mr. Sanjay Suri (DIN: 00041590), Whole-Time Director of the company.
- Adoption of Article of Association of the Company pursuant to the Companies Act, 2013.

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.

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 and posted on the company's website viz., www.morepen.com

Annual Report: The company sent annual reports, notices, and other communications to the shareholders electronically on their email IDs as registered in the depository system.

Website: The company's website i.e., www.morepen.com, contains a separate section wherein shareholders' related information is updated periodically and 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's website and disseminated to stock exchanges.

11. GENERAL SHAREHOLDER INFORMATION

a) Date, Time and Venue of Annual General Meeting (AGM)	Thursday, 28 th September 2023 at 1.00 P.M. through video conferencing or other audio-visual means		
b) Financial Year	1 st April 2022 to 31 st March 2023		
c) Date of Book Closure	The dates of book closure will be from Friday, 22 nd September 2023 to Thursday, 28 th September 2023 (both days inclusive) for AGM.		
	The Board of Directors of the company has not recommended dividend for the financial year ended 31 st March 2023.		
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</p> <p>Listing fees for the year 2023-24 has been duly paid to NSE & BSE.</p>		
e) Stock code	<p>NSE</p> <p>Symbol MOREPENLAB ISIN No. INE083A01026 RIC Code Morl.ns</p>	<p>BSE</p> <p>Scrip Code 500288 ISIN No. INE083A01026 RIC Code Morl.ns</p>	

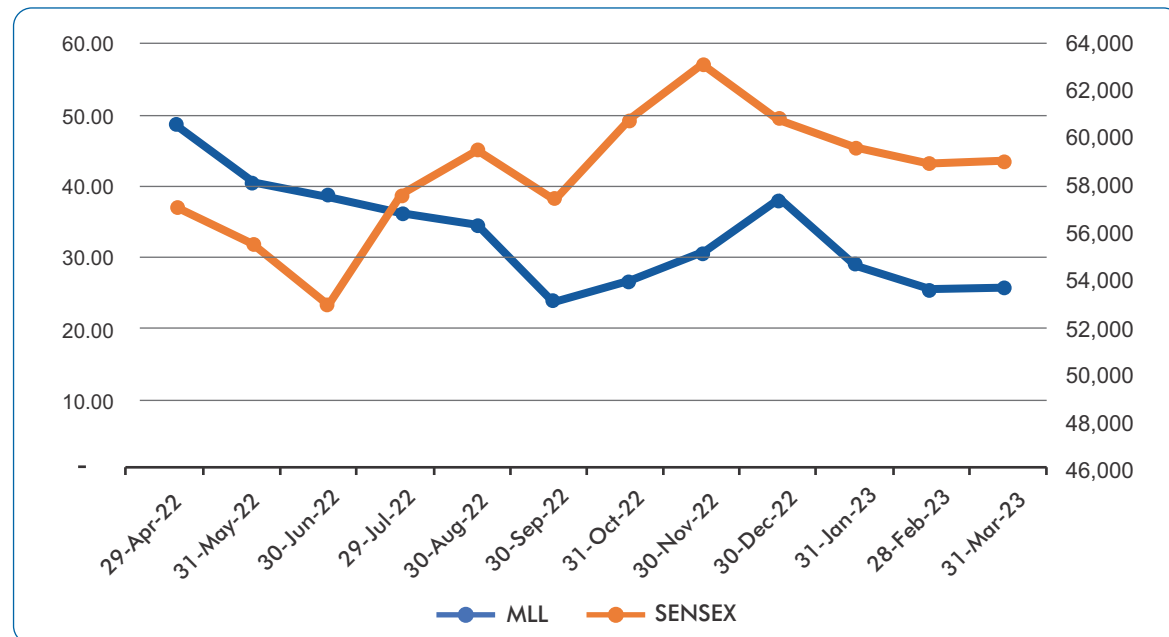
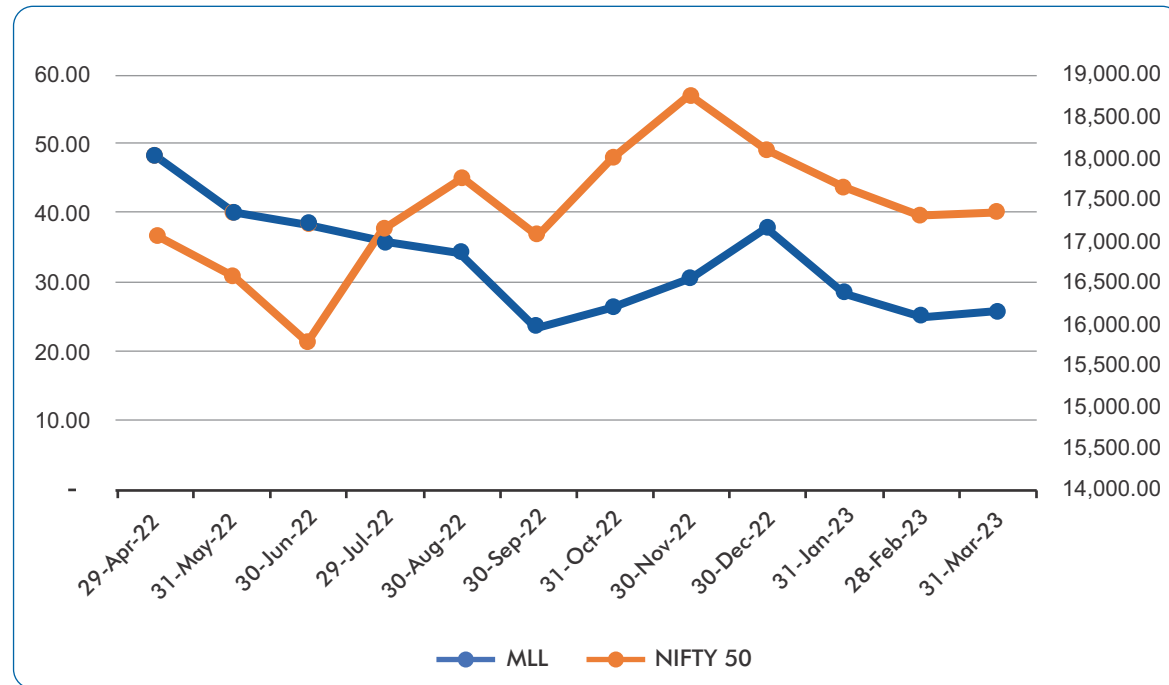
f) Market Price Data:

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
April-22	54.80	36.70	54.80	36.70
May-22	49.95	37.55	49.95	37.55
June-22	41.90	32.35	41.90	32.30
July-22	40.50	35.10	40.50	35.05
August-22	36.60	33.05	36.60	33.50
September-22	35.70	23.65	35.65	23.65
October-22	29.35	23.75	29.35	23.60
November-22	32.45	26.60	32.50	26.55
December-22	48.40	29.85	48.45	29.80
January-23	38.10	27.55	38.00	27.45
February-23	29.65	24.80	29.60	24.80
March-23	28.80	24.00	28.90	24.00

(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

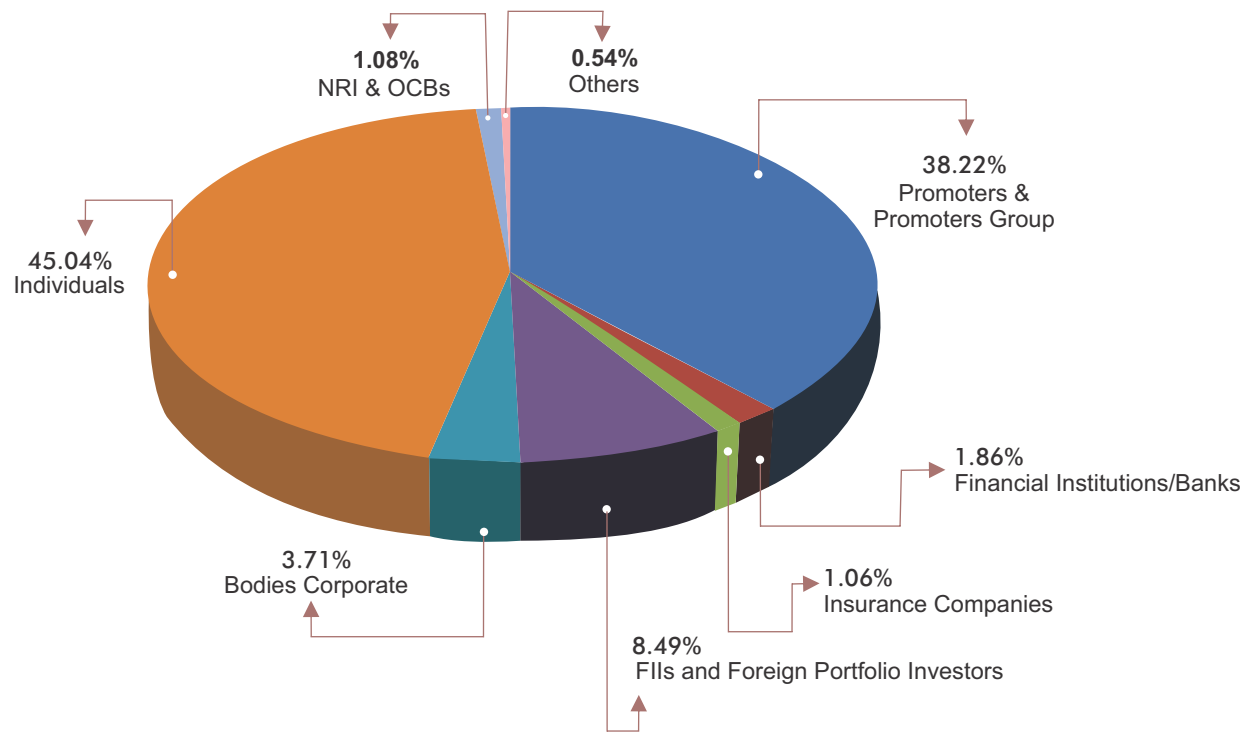
i) Share Transfer System

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 share transfers are generally processed within 15 days from the date of receipt of request, provided the documents are complete in all respects. 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 31st March 2023

Category of Shareholdings From-To	No. of shareholders	% of Total shareholders	Total Shares	Amount (₹)	% of Total Amount
1 – 5,000	2,91,922	95.35	10,53,10,977	21,06,21,954	20.60
5,001 – 10,000	8,484	2.77	3,04,58,594	6,09,17,188	5.96
10,001 – 20,000	3,341	1.09	2,43,94,766	4,87,89,532	4.77
20,001 – 30,000	947	0.31	1,18,28,355	2,36,56,710	2.31
30,001 – 40,000	448	0.15	80,11,472	1,60,22,944	1.57
40,001 – 50,000	252	0.08	57,27,951	1,14,55,902	1.12
50,001 – 1,00,000	442	0.15	1,56,19,597	3,12,39,194	3.06
1,00,001 & above	314	0.10	30,98,16,996	61,96,33,992	60.61
Total	3,06,150	100.00	51,11,68,708	1,02,23,37,416	100.00

Category	% of Shareholding
Promoter & Promoter Group	38.22
Financial Institutions/Banks	1.86
Insurance Companies	1.06
FII, Foreign Portfolio Investor & Foreign Companies	8.49
Bodies Corporate	3.71
Individuals	45.04
NRI & OCBs	1.08
Others (Clearing Member, Trust, NBFCs, Government & Mutual Funds)	0.54
Total	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 31st March 2023, 48,35,70,258 Equity Shares of ₹2/- each (94.60%) are held in electronic/de-mat form.

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

- i. During the year under review, pursuant to Section 48 of the Companies Act, 2013 and its rules made thereunder, the company, with the concurrence of holders of, in aggregate, 97,35,201, 0.01% optionally convertible preference shares ('OCPS') and 17,30,000, 0.01% cumulative redeemable preference shares ('CRPS') (hereinafter refer as 'preference shareholders') and approval of equity shareholders in its Extra-Ordinary General Meeting held on 5th March 2022, varied the rights of preference shareholders and allotted, in aggregate, 114,65,201, 0.01% compulsorily convertible preference shares ('CCPS'), followed by conversion thereof into 2,13,42,505 equity shares, having face value of ₹2/- each, at a price of ₹53.72/- per share (a price determined as per SEBI (ICDR) Regulations, 2018, as amended).
- ii. During the year under review, 3 entities belonging to the promoter group of the company had paid the remaining 75% (i.e., ₹18.75/- per share warrant) w.r.t., 1,20,00,000 fully convertible warrants accordingly said warrants were converted into equivalent number of equity shares.

Inclusive of the aforesaid conversion of warrants and 2,80,00,000 warrants converted into equity shares the previous financial year, out of total 7,00,00,000 issued and allotted warrants, 4,00,00,00 warrants have been converted within the prescribed period of 18 months.

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, Sector - 2, Parwanoo, District Solan, Himachal Pradesh – 173 220
- 3) Plot no. 12 C, Sector - 2, Parwanoo, District Solan, Himachal Pradesh – 173 220
- 4) 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:

2nd Floor, Tower C, DLF Cyber Park, Udyog Vihar III,
Sector 20, Gurugram, Haryana 122016, India
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, Phase-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 2022-2023 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 31st March 2023, 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. 33 of Notes to Standalone 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. The summary orders/ penalties/ strictures imposed by Stock Exchange or SEBI or any statutory authority, during the previous years are as follows: -



(i) During the financial year 2020-2021, the Stock Exchanges had imposed a fine for non-compliance with Regulation 17(1)(a) of Listing Regulation (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 Stock Exchanges considered the case favourably and refunded the fine amount during the financial year 2021-2022.

(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. On, Hon'ble SAT vide its order dated April 15, 2021, set aside the aforesaid order passed by SEBI.

Further, the SEBI filed an appeal before the Hon'ble Supreme Court of India on 20th July 2021 against the order of Hon'ble SAT. The matter is under adjudication.

(iii) During the financial year 2019-2020, the Hon'ble NCLAT has upheld the order passed by Hon'ble NCLT, Chandigarh on 23.07.2019, 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 pay cost of ₹50 Lakh. In compliance with said order, till 27th July 2021, being the date on which the process of surrender of equity shares for cancellation and refund of FD dues had concluded, the company had paid, in aggregate, ₹18.84 Crore (inclusive of TDS) to FD holders against their surrender of 50,38,983 Equity Shares for cancellation. The applications for cancellation of shares from listed capital have been filed with the Stock Exchanges, are under consideration.

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.

During the financial year ending 31st March 2021, Dr. Morepen Limited, was identified as a material unlisted subsidiary in accordance with Regulation 24 of the Listing Regulations. For the financial year under review, Dr. Morepen Limited has not qualified as an unlisted material subsidiary as per Listing Regulations, therefore, none of the subsidiary company is falling under the criteria of the material subsidiary. However, the company is complying with applicable provisions of Listing Regulations. The Audit Committee of the company periodically reviews the financial statements and the investments made by the unlisted subsidiary companies. The minutes of the board meetings and financial statements of all unlisted subsidiary companies were circulated along with agenda 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 <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 commodities therefore this clause is not applicable to the company.

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

During the year financial year 2021-22, the company had received 75% of the remaining amount for 2,80,00,000 Fully Convertible Warrants and converted said warrants into equivalent no. of equity shares.

During the year under review, the company received 75% of the balance amount for 1,20,00,000 Fully Convertible Warrants and converted said warrants into equivalent no. of equity shares.

Pursuant to SEBI Listing Regulations, utilization of proceeds, in prescribed format, have been submitted with the Stock Exchanges. The aforesaid disclosures are also placed on the website of the company and stock exchanges.

The company also issued and allotted 2,13,42,505 equity shares on account of conversion of 0.01%, 1,14,65,201 compulsorily convertible preference shares of Rs. 100/- each. The aforesaid allotment of equity shares didn't have funds inflow in the company, therefore, disclosure of utilization of funds has not been required.

l) Certificate of Practicing Company Secretary for Board of Directors.

A certificate has been obtained from Mr. Praveen Dua, Company Secretary in practice 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 where the Board has not accepted any recommendation of any committee of the board which is mandatorily required, during the financial year. The Board had considered all the recommendations 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, are ₹49.36 Lakh for the year ending 31st March 2023. 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- 01

(ii) number of complaints disposed of during the financial year- 01

(iii) number of complaints pending as on end of the financial year- Nil

During the year under review, there is one complaint registered, which was disposed of within 90 days.

m) Disclosure related to compliance related to Corporate Governance.

There is no non-compliance of any requirement of Corporate Governance as mentioned in Sub paras (2) to (10) of Part C of Schedule V of the Listing Regulations. 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 31st March 2023.

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 2023.

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 1 st April 2022	4,820	53,46,219
Number of shareholders who approached the company for transfer of shares from Unclaimed Suspense Account during the year	8	11,267
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	8	11,267
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31 st March 2023	4,812	53,34,952

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 and on behalf of Board of Directors

Place: Gurugram, Haryana
Date: 05th August 2023

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

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 31st March 2023.

For and on behalf of Board of Directors

Place: Gurugram, Haryana
Date: 05th August 2023

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

**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 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

Place: New Delhi
Date: 05th August 2023

Praveen Dua
Proprietor
FCS -3573; CP -2139
UDIN: F003573E000746733
PR UIN -11994DE052200



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

To,
The Shareholders
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 31st March, 2023 as stipulated in Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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.

On the basis of information/documents provided to us, we state that in respect of investor grievances received during the financial year ended 31st March 2023, 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.

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

Praveen Dua
Proprietor
FCS -3573; CP -2139
UDIN: F003573E000746766
PR UIN - 11994DE052200

Place: New Delhi
Date: 05th August 2023

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
Morepen Laboratories Limited

We, Sushil Suri, Chairman & Managing Director and Ajay Kumar 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 31st March 2023 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, if any, during the year;
 - ii. significant changes in accounting policies, if any, 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.

Place: Gurugram, Haryana
Date: 16th May 2023

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Ajay Kumar Sharma
(Chief Financial Officer)



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, 2023, 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the

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, the company has paid Fixed Deposit dues in respect of 50,38,983 Equity Shares received for cancellation with the company till 31.03.2022.</p> <p>(Refer Note No. 13G 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 produced for our verification.</p> <p>The payment to pending eligible FD holders may impact financials of the company in the coming year/years.</p>

Company as at March 31, 2023, 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 skepticism 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, 2020 ("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, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2023 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:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

- b) The Company did not have any long term contracts including derivative contracts.
- c) During the year, the company was not liable to transfer any amount to the Investor Education and Protection Fund.
- d) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing

- e) The Company has not declared or paid any dividend during the year.
- has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement. (Refer Note No. 39(f) to the standalone financial statements).

For S.P. Babuta & Associates
Chartered Accountants
F.No. 007657N

CA S.P. Babuta
Managing Partner
FCA, AIIA, IP, DISA, CCA
GST Cert, Forensic Auditor
Membership No. : 086348
UDIN : 23086348BGYBEC6052

Date : 16th May, 2023

Place : Gurugram, Haryana



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, 2023)

- | | |
|--|--|
| <p>(i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;</p> <p>(B) The company is maintaining proper records showing full particulars of intangible assets;</p> <p>(b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;</p> <p>(c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company;</p> <p>(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;</p> <p>(e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;</p> <p>(ii) (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancy of 10% or more in the aggregate for each class of inventory was noticed;</p> <p>(b) The company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, during the year from banks or financial institutions on the basis of security of current assets;</p> <p>(iii) According to the information and explanations given to us and based on audit procedures performed, we are of the opinion that during the</p> | <p>year the company has made investments of ₹5.00 lakhs in equity share capital in newly created wholly owned subsidiary Morepen Rx Limited, but not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. In our opinion, investment made in wholly owned subsidiary is not prejudicial to the company's interest;</p> <p>(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;</p> <p>(v) According to the information and explanations given to us, 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 13(G) to standalone financial statements);</p> <p>(vi) According to the information and explanations given to us, maintenance of cost records has been specified by the Central Government under subsection (1) of section 148 of the Companies Act and as explained to us such accounts and records have been so made and maintained by the company;</p> <p>(vii) (a) According to the information and explanations given to us and based on audit procedures performed, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities except payment of advance income tax. No such dues are outstanding as on 31st March 2023 for a period exceeding six months;</p> <p>(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, 2023 due to any dispute;</p> <p>(viii) According to the records and information and explanation given to us, no transaction/amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;</p> |
| <p>(ix) (a) 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 other borrowings or interest to Banks/Fls. The preference shares issued to Banks/Fls have been converted to Compulsorily Convertible Preference Shares followed by their conversion into Equity Shares. (Refer Note No. 18 of standalone financial statements);</p> <p>(b) According to the information and explanations given to us by the management, the company has not been declared willful defaulter by any bank or financial institution or other lender, during the year;</p> <p>(c) According to the records and information and explanation given to us, term/car loans were applied for the purpose for which the loans were obtained;</p> <p>(d) According to the records and information and explanation given to us, funds raised on short term basis have not been utilised for long term purposes;</p> <p>(e) According to the records and information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;</p> <p>(f) According to the records and information and explanation given to us, the company has not raised any loan during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;</p> <p>(x) (a) During the year, the company has not raised any money by way of initial public offer or further public offer (including debt instruments);</p> <p>(b) During the year, the company received ₹2250.00 lakhs from promoter group entities against fully convertible warrants and converted 1,20,00,000 no. of fully convertible warrants into equity shares, wherein full payment was received. Balance ₹1875.00 Lakhs against warrants wherein balance amount was not received have been forfeited. (Refer footnote of Statement of Changes in Equity of standalone financial statements);</p> <p>(xi) (a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted</p> | <p>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, noticed or reported during the year, nor have we been informed of any such case by the Management;</p> <p>(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;</p> <p>(c) According to the records and information and explanation given to us, there is no whistle-blower complaint received during the year by the company;</p> <p>(xii) The company is not a Nidhi Company and hence this clause is not applicable to the company;</p> <p>(xiii) According to the information and explanations given to us and based on our examination of the records of the company, all 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;</p> <p>(xiv) (a) The company has an internal audit system commensurate with the size and nature of its business;</p> <p>(b) The reports of the Internal Auditors for the period under audit were considered by us;</p> <p>(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;</p> <p>(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;</p> <p>(b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year;</p> <p>(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;</p> <p>(xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year;</p> <p>(xviii) On expiry of five years term the existing statutory auditors have retired and new audit firm has been appointed during the year;</p> |



- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- (xx) (a) According to the information and explanations given to us and based on our examination of the records of the company, there is no unspent amount required to be transferred to a Fund specified in Schedule VII

to the Companies Act in respect of other than ongoing projects as per sub-section (5) of section 135 of the said Act;

- (b) According to the information and explanations given to us and based on our examination of the records of the company, there is no amount remaining unspent under sub-section (5) of section 135 of the Companies Act which is required to be transferred to a special account in compliance with the provision of sub-section (6) of section 135 of the said Act;
- (xxi) There is no qualification or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For S.P. Babuta & Associates
Chartered Accountants
F.No. 007657N

CA S.P. Babuta
Managing Partner
FCA, AIIA, IP, DISA, CCA
GST Cert, Forensic Auditor
Membership No. : 086348
UDIN : 23086348BGYBEC6052

Date : 16th May, 2023
Place : Gurugram, Haryana

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 2023)

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, 2023 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, 2023, 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 S.P. Babuta & Associates
Chartered Accountants
F.No. 007657N

CA S.P. Babuta
Managing Partner
FCA, AIIA, IP, DISA, CCA
GST Cert, Forensic Auditor
Membership No. : 086348
UDIN : 23086348BGYBEC6052

Date :16th May, 2023
Place :Gurugram, Haryana

Financial Statements



Balance Sheet

 As at 31st March, 2023

		(₹ in Lakhs)	
		As at	As at
		31.03.2023	31.03.2022
A ASSETS	Note No.		
1. NON-CURRENT ASSETS			
Property, Plant and Equipment and Intangible Assets			
Property, Plant and Equipment	2	16608.55	14543.69
Capital Work in Progress	2	1701.37	1414.58
Other Intangible Assets	2	473.54	1067.30
Financial Assets :			
Investments	3	11784.48	11779.48
Loans	4	4.95	5.72
Other Financial Assets	5	506.29	448.92
Other Non-Current Assets	6	6390.27	6390.42
		<u>37469.45</u>	<u>35650.11</u>
2. CURRENT ASSETS			
Inventories			
Financial Assets :			
Trade Receivables	8	25547.12	22187.11
Cash and Cash Equivalents	9	2126.36	1538.03
Bank Balances other than Cash and Cash Equivalents	10	3463.97	3016.70
Loans	4	27.37	34.19
Other Financial Assets	11	550.69	506.29
Other Current Assets	12	20234.39	14568.41
		<u>73084.80</u>	<u>67676.08</u>
Total		<u>110554.25</u>	<u>103326.19</u>
B EQUITY AND LIABILITIES			
1. EQUITY			
Equity Share Capital	13	10222.71	9555.86
Other Equity		67788.71	50260.85
		<u>78011.42</u>	<u>59816.71</u>
2. NON - CURRENT LIABILITIES			
Financial Liabilities :			
Borrowings	14	93.35	132.11
Other Financial Liabilities	15	196.50	196.45
Deferred Tax Liabilities (Net)	37	268.60	248.26
Provisions	16	2886.79	2664.03
		<u>3445.24</u>	<u>3240.85</u>
3. CURRENT LIABILITIES			
Financial Liabilities :			
Borrowings	14	2423.06	1724.79
Trade Payables	17	21309.68	21731.91
Other Financial liabilities	18	3741.21	15025.04
Other Current Liabilities	19	132.24	825.94
Provisions	16	1491.40	960.95
		<u>29097.59</u>	<u>40268.63</u>
TOTAL		<u>110554.25</u>	<u>103326.19</u>
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-41		

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

For S.P. Babuta & Associates
 Chartered Accountants
 Firm Regn. No. 007657N

(Sushil Suri)
 Chairman & Managing Director
 DIN : 00012028

(Manoj Joshi)
 Director
 DIN : 00036546

(CA S.P. Babuta)
 Partner
 Membership No. 086348

(Ajay Kumar Sharma)
 Chief Financial Officer

(Vipul Kumar Srivastava)
 Company Secretary
 Membership No. F-12148

 Place : Gurugram, Haryana
 Date : 16th May, 2023

Statement of Profit and Loss

 For the Year Ended 31st March, 2023

		(₹ in Lakhs)	
		Year Ended	Year Ended
		31.03.2023	31.03.2022
	Note No.		
REVENUE			
Revenue from Operations (Net)	21	133888.33	144926.66
Other Income	22	575.88	1023.53
Total Income (I)		<u>134464.21</u>	<u>145950.19</u>
EXPENSES			
Cost of Materials Consumed	23	78140.92	79712.96
Purchases of Stock-in-Trade	24	10506.93	19167.56
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	1653.86	173.95
Employee Benefits Expense	26	14619.30	15000.09
Finance Costs	27	198.08	(736.55)
Depreciation and Amortization Expense	2	1800.57	2119.49
Other Expenses	28	21240.34	17958.31
Total Expenses (II)		<u>128160.00</u>	<u>133395.81</u>
Profit before Tax		6304.21	12554.38
Tax Expense			
Current Tax		1659.99	2462.35
Earlier periods Tax		(0.41)	(262.52)
Deferred Tax	37	20.34	248.26
Total Tax Expense		<u>1679.92</u>	<u>2,448.09</u>
Profit for the Year (III)		4624.29	10106.29
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss		(197.37)	(45.67)
Tax		(52.59)	(8.82)
Other Comprehensive Income for the Year (Net of Tax) (IV)		<u>(144.78)</u>	<u>(36.85)</u>
Total Comprehensive Income for the Year (III+IV)		<u>4479.51</u>	<u>10069.44</u>
Earning per equity share (Face Value of ₹2/- each)	34		
(1) Basic		0.92	2.25
(2) Diluted		0.92	1.94
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-41		

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

For S.P. Babuta & Associates
 Chartered Accountants
 Firm Regn. No. 007657N

(Sushil Suri)
 Chairman & Managing Director
 DIN : 00012028

(Manoj Joshi)
 Director
 DIN : 00036546

(CA S.P. Babuta)
 Partner
 Membership No. 086348

(Ajay Kumar Sharma)
 Chief Financial Officer

(Vipul Kumar Srivastava)
 Company Secretary
 Membership No. F-12148

 Place : Gurugram, Haryana
 Date : 16th May, 2023



STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March, 2023

A. EQUITY SHARE CAPITAL

As at 31st March, 2023 (₹ in Lakhs)

Balance as at 1 st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Change in equity share capital during the year	Balance as at 31 st March, 2023
9555.86	–	9555.86	666.85	10222.71

As at 31st March, 2022

Balance as at 1 st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Change in equity share capital during the year	Balance as at 31 st March, 2022
8995.86	–	8995.86	560.00	9555.86

B. OTHER EQUITY AS AT 31st MARCH, 2023

(₹ in Lakhs)

	RESERVES & SURPLUS				Other items of other comprehensive income	Warrant subscription received	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings			
Balance as at 1 st April, 2022	270.40	7623.33	23180.51	17102.55	(540.94)	2625.00	50260.85
Money received against Share Warrants						2250.00	5250.00
- Amount transferred to Equity Share Capital on conversion of warrants						(240.00)	(240.00)
- Amount transferred to Securities Premium account			13798.35			(2760.00)	11,038.35
- Amount transferred to Capital Reserve account	1875.00					(1875.00)	–
Profit for the year	–	–	–	4624.29	–		4624.29
Other comprehensive income/(loss) for the year	–	–	–	–	(144.78)		(144.78)
Balance as at 31 st March, 2023	2145.40	7623.33	36978.86	21726.84	(685.72)	–	67788.71

OTHER EQUITY AS AT 31st MARCH, 2022

(₹ in Lakhs)

	RESERVES & SURPLUS				Other items of other comprehensive income	Warrant subscription received	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings			
Balance as at 1 st April, 2021	270.40	7123.33	16740.51	7496.26	(504.09)	4,375.00	35501.41
Money received against Share Warrants						5250.00	5250.00
- Amount transferred to Equity Share Capital on conversion of warrants						(560.00)	(560.00)
- Amount transferred to Securities Premium account			6440.00			(6440.00)	–
Profit for the year				10106.29			10106.29
Transfer to Capital Redemption Reserve (Refer Note No.18)	–	500.00	–	(500.00)			–
- Other comprehensive income/(loss) for the year	–	–	–	–	(36.85)		(36.85)
Balance as at 31 st March, 2022	270.40	7623.33	23180.51	17102.55	(540.94)	2625.00	50260.85

1. The money received against share warrants ('warrants') represents the amount received towards 700 Lakh no. of warrants, of face value of ₹2/- each, allotted at ₹25/- per warrant, on receipt of 25% of the warrant allotment amount during the FY 2021. The warrants holders were entitled to apply for equivalent no. of equity shares vis-à-vis warrant within a period of 18 months from the date of allotment of warrant. During the previous financial year ending March 31, 2022, the board of directors had converted 280 Lakh nos. of warrants into equal nos. of equity shares on receipt balance 75% of the warrant amount, ₹5,250 Lakh.

During the current financial year, the board of directors has converted 120 Lakh nos. of warrants into equal no. of equity shares, on receipt of remaining 75% the warrant amount of ₹2250.00 Lakh. In aggregate, out of total 700 Lakh nos. of warrants, 400 Lakh nos. of warrants were converted into equal no. equity shares within the prescribed period and remaining 300 Lakh no. of warrants were lapsed during the current year ending March 31, 2023. Accordingly, a sum of ₹1875.00 Lakh i.e., upfront 25% of the warrant subscription monies in respect of these 300 Lakh nos. of warrants, received during the financial year ending March 31, 2021, has been transferred into Capital Reserve Account, during the current year ending March 31, 2023.

2. During the year, 2,13,42,505 no. of equity shares of ₹2/- each, at a conversion price of ₹53.72/- per share were issued to banks/financial institution and other, towards conversion of 0.01% 1,14,65,201 no. of Preference Shares of ₹100/- each held by them.

SIGNIFICANT ACCOUNTING POLICIES

1

NOTES ON FINANCIAL STATEMENTS

2-41

As per our separate report of even date

For & on behalf of the Board of Directors of Morepen Laboratories Limited

For S.P. Babuta & Associates
Chartered Accountants
Firm Regn. No. 007657N

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Manoj Joshi)
Director
DIN : 00036546

(CA S.P. Babuta)
Partner
Membership No. 086348

(Ajay Kumar Sharma)
Chief Financial Officer

(Vipul Kumar Srivastava)
Company Secretary
Membership No. F-12148

Place : Gurugram, Haryana
Date : 16th May, 2023



Cash Flow Statement

For the Year Ended 31st March, 2023

	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
(₹ in Lakhs)			
A. CASH FLOWS FROM OPERATING ACTIVITIES :			
Profit before Tax		6304.21	12554.38
Adjustments for :			
Depreciation & Amortisation	2	1800.57	2119.49
(Profit)/Loss on Sale of Property, Plant & Equipments	2,3	-	(34.96)
Provision for Employee benefit (OCI)		(197.37)	(45.67)
Finance Cost	27	198.08	(736.55)
Operating Profit before changes in Current Assets and Liabilities		8105.49	13856.69
Changes in Current Assets and Liabilities –			
Trade Receivables	8	(3360.01)	(6634.97)
Loans, Bank balance other than cash & Cash equivalent and other Current Assets	4,10,11,12	(6150.83)	(5406.87)
Inventories	7	4690.45	(8864.35)
Current Liabilities	16,17,18,19	(11869.31)	2602.12
Cash generated from Operations		(8584.21)	(4447.38)
Tax Expense (Net)		(1627.33)	(2439.27)
NET CASHFLOW - OPERATING ACTIVITIES		(10211.54)	(6886.65)
B. CASH FLOWS - INVESTING ACTIVITIES:			
Purchase of Property, Plant & Equipments & Capital work in Progress	2	(3554.62)	(4515.81)
Purchase/Addition of Intangibles (Net)	2	(3.84)	(42.70)
Proceeds from Sale of Property, Plant & Equipments	2	-	0.71
Sales/(Purchase) of Investments (Net)	3	(5.00)	144.11
Investment in Other Non-Current Assets and Loans	4,5,6	(56.45)	2149.64
NET CASHFLOW - INVESTING ACTIVITIES		(3619.91)	(2264.05)
C. CASH FLOWS FROM FINANCING ACTIVITIES:			
Finance Cost	27	(198.08)	736.55
Proceeds/(Repayments) of Long Term Borrowings (Net)	14	(38.76)	49.28
Proceeds/(Repayments) of Short Term Borrowings (Net)	14	698.27	103.05
Proceeds from Warrant subscription/Preference Sh. conversion	38	13715.20	5250.00
Change in Other Non- Current Liabilities & Provisions (Net)	15,16,37	243.15	502.41
NET CASHFLOW - FINANCING ACTIVITIES		14419.78	6641.29
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		588.33	(2509.41)
Cash and Cash Equivalents as at Beginning of the Year		1538.03	4047.44
Cash and Cash Equivalents as at End of the Year		2126.36	1538.03
Bank Balances other than Cash and Cash Equivalents		3463.97	3016.70
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-41		

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

For S.P. Babuta & Associates
Chartered Accountants
Firm Regn. No. 007657N

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Manoj Joshi)
Director
DIN : 00036546

(CA S.P. Babuta)
Partner
Membership No. 086348

(Ajay Kumar Sharma)
Chief Financial Officer

(Vipul Kumar Srivastava)
Company Secretary
Membership No. F-12148

Place : Gurugram, Haryana
Date : 16th May, 2023

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1. 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 thereafter, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on May 16, 2023.

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.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

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 value of consideration received or receivable. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract. 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, 2023

2. I) PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTIZATION			CARRYING VALUE		
	As at	Additions	(Disposals)/	As at	For the	Deductions/	As at	As at	As at
	01.04.2022		Adjustments	01.04.2022	year	Adjustments	31.03.2023	31.03.2023	31.03.2022
Land	143.03	-	-	-	-	-	-	143.03	143.03
Buildings	8141.06	946.45	-	4043.75	207.01	-	4250.76	4836.75	4097.31
Plant & Machinery	34896.55	2107.06	-	26257.83	701.88	-	26959.71	10043.90	8638.72
Furnitures & Fixtures	1242.64	33.25	-	313.75	95.98	-	409.73	866.16	928.89
Vehicles	996.63	98.21	(10.59)	453.58	98.63	(10.59)	541.62	542.63	543.05
Office Equipments	530.76	82.86	-	338.07	99.47	-	437.54	176.08	192.69
Total	45950.67	3267.83	(10.59)	31406.98	1202.97	(10.59)	32599.36	16608.55	14543.69
Previous Year	49663.97	3296.86	(7010.16)	36875.43	1530.37	(6998.82)	31406.98	14543.69	-
II) CAPITAL WORK IN PROGRESS									
Buildings	751.12	(424.77)	20.23	-	-	-	-	346.58	751.11
Plant & Machinery	663.18	705.68	(20.23)	-	-	-	-	1348.63	663.19
Furniture & Fixture	0.28	5.88	-	-	-	-	-	6.16	0.28
Total	1414.58	286.79	-	-	-	-	-	1701.37	1414.58
Previous Year	195.63	1464.63	(245.68)	-	-	-	-	1414.58	-
III) INTANGIBLE ASSETS									
Computer Software	286.68	3.84	-	216.15	28.01	-	244.16	46.36	70.53
Customer Acquisition Cost	1708.75	-	-	711.98	569.59	-	1281.57	427.18	996.77
Total	1995.43	3.84	-	928.13	597.60	-	1525.73	473.54	1067.30
Previous Year	1952.73	42.70	-	339.01	589.12	-	928.13	1067.30	-
GRAND TOTAL									
Current year	49360.68	3558.46	(10.59)	32335.10	1800.57	(10.59)	34125.08	18783.46	17025.57
Previous Year	51812.33	4804.19	(7255.84)	37214.43	2119.49	(6998.82)	32335.10	17025.57	-

Notes :-

Customer acquisition cost represents amount invested for expansion of point of care business of the company.



	(₹ in Lakhs)			
	As at 31.03.2023	As at 31.03.2022		
3. INVESTMENTS (NON-CURRENT)				
Trade Investments (At Cost)				
A. Investment in Equity Instruments (Unquoted)				
Subsidiary Companies				
i) <u>Dr. Morepen Limited</u>				
4,06,79,500 Equity shares of ₹10/- each fully paid up	11747.25	11747.25		
ii) <u>Morepen Bio Inc. (Previously Morepen Inc.)</u>				
94,000 fully paid common voting stock of USD 0.001 each (Previous Year - 9,400 fully paid common voting stocks of USD 0.01 each)	22.23	22.23		
iii) <u>Morepen Devices Limited</u>				
1,00,000 Equity shares of ₹10/- each fully paid up	10.00	10.00		
iv) <u>Morepen Rx Limited</u>				
50,000 (Previous Year NIL) Equity shares of ₹10/- each fully paid up	5.00	-		
	<u>11784.48</u>	<u>11779.48</u>		
Notes -				
1. During the year under review, the name of the Morepen Inc., USA based, a wholly owned subsidiary of the company, has been changed to Morepen Bio Inc., along with alteration of business purpose (i.e., Object). The authorised share capital has also been altered i.e. from 20,000 common stock of \$0.01 each comprising of equivalent nos. of voting common stock and non-voting common stock to 60,000,000 common stock of \$.001 each comprising of 50,000,000 common voting stock with variable rights and 10,00,000 non-voting common stock.				
2. Morepen Rx Limited, incorporated as wholly owned subsidiary of the company, during the year.				
4. LOANS				
	Current Portion		Non -Current Portion	
	As at 31.03.23	As at 31.03.22	As at 31.03.23	As at 31.03.22
Unsecured (Considered good) Loans to Employees	27.37	34.19	4.95	5.72
	<u>27.37</u>	<u>34.19</u>	<u>4.95</u>	<u>5.72</u>
5. OTHER FINANCIAL ASSETS - NON CURRENT				
Security Deposits	506.29	448.92		
	<u>506.29</u>	<u>448.92</u>		
6. OTHER NON CURRENT ASSETS				
<u>Unsecured</u>				
Capital Advances (Considered good)*	6362.65	6362.65		
Leasehold Land Prepayments	26.06	25.70		
Prepaid (Deferred)Expenses for Employee Benefit	1.56	2.07		
	<u>6390.27</u>	<u>6390.42</u>		

Includes-*

₹2596.38 Lakhs (Previous year - ₹2596.38 Lakhs) paid to related parties for acquisition of land for expansion of

	(₹ in Lakhs)	
	As at 31.03.2023	As at 31.03.2022
manufacturing facilities of the company. An agreement for acquisition of land was entered into with these parties in the last year for a sum of ₹2840.00 Lakhs. Necessary documentation and seeking government & statutory approvals for the transfer of land in the name of the company is in progress.		
7. INVENTORIES		
Raw Materials	12661.60	15702.24
Work-in-progress	3864.55	3582.17
Finished goods	3511.27	3722.87
Stock -in-trade	636.72	2462.00
Goods in transit	11.17	7.12
Stores and spares	449.59	348.95
	<u>21134.90</u>	<u>25825.35</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	6584.84	8498.26
Home Health Formulations	5040.57	6286.69
	1036.19	917.29
Total Raw Materials	<u>12661.60</u>	<u>15702.24</u>
ii) Work in Progress -		
API & Intermediates	3505.00	2785.57
Home Health Formulations	208.65	683.88
	150.90	112.72
Total Work -in -progress	<u>3864.55</u>	<u>3582.17</u>
iii) Finished goods -		
API & Intermediates	2520.39	1606.52
Home Health Formulations	675.23	1711.52
	315.65	404.83
Finished Goods Inventory	<u>3511.27</u>	<u>3722.87</u>
iv) Stock in trade -		
Home Health Formulations	297.63	2061.19
	339.09	400.81
Stock in trade Inventory	<u>636.72</u>	<u>2462.00</u>
8. TRADE RECEIVABLES		
Unsecured -		
Considered good	25547.12	22187.11
Considered Doubtful	173.15	505.26
	<u>25720.27</u>	<u>22692.37</u>
Less : Allowance for doubtful debts	173.15	505.26
	<u>25547.12</u>	<u>22187.11</u>



Ageing of Trade Receivables (2022-23)	< 6 months	6months-1 year	1-2 years	2-3 years	3 years or more	Total
Undisputed						
- Considered good	25047.02	293.53	137.79	59.48	9.30	25547.12
- Having significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
Disputed						
- Considered good	-	-	-	-	-	-
- Having significant increase in credit risk	-	-	13.26	24.64	135.25	173.15
- Credit impaired	-	-	-	-	-	-
Total Receivables	25047.02	293.53	151.05	84.12	144.55	25720.27

Ageing of Trade Receivables (2021-22)	< 6 months	6months-1 year	1-2 years	2-3 years	3 years or more	Total
Undisputed						
- Considered good	21980.25	57.57	137.94	5.86	5.49	22187.11
- Having significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
Disputed						
- Considered good	-	-	-	-	-	-
- Having significant increase in credit risk	405.34	10.05	49.17	6.28	34.42	505.26
- Credit impaired	-	-	-	-	-	-
Total Receivables	22385.59	67.62	187.11	12.14	39.91	22692.37

(₹ in Lakhs)

As at	As at
31.03.2023	31.03.2022

9. CASH AND CASH EQUIVALENTS

Balances with banks		
Current Accounts	2101.68	1416.63
In Deposit Accounts	-	113.02
Cash in hand	24.68	8.38
	<u>2,126.36</u>	<u>1538.03</u>

(₹ in Lakhs)

As at	As at
31.03.2023	31.03.2022

10. 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)	3326.89	2984.17
Guarantees	137.08	32.53
	<u>3463.97</u>	<u>3016.70</u>

11. OTHER FINANCIAL ASSETS - CURRENT

Security Deposits	290.43	190.82
Interest accrued but not due	98.04	57.72
Export Incentives Receivable	162.22	257.75
	<u>550.69</u>	<u>506.29</u>

12. OTHER CURRENT ASSETS

<u>Unsecured considered good, unless otherwise stated</u>		
Advances with Suppliers & Others*	16940.07	10836.49
Leasehold Land Prepayments	1.47	1.11
Balance with Government Authorities	2993.05	3427.35
Tax Deducted at source	-	33.17
Advances to Employees	64.71	79.77
Prepaid Expenses	235.09	190.52
	<u>20234.39</u>	<u>14568.41</u>

* Includes-

- Sum of ₹570.41 Lakhs paid to fixed deposit holders towards cancellation of 50,38,983 no of Equity Shares (Refer Note No. 13 G)

13. SHARE CAPITAL
A. Equity Share Capital

	As at March 31, 2023		As at March 31, 2022	
	Nos. of Shares	Amount (₹/Lakhs)	Nos. of Shares	Amount (₹/Lakhs)
Authorised				
Equity Shares of ₹2/- each	1000000000	20000.00	650000000	13000.00
Issued and Subscribed				
Equity Shares of ₹2/- each	511168708	10223.37	477826203	9556.53
Paid up				
Equity Shares of ₹2/- each	511168708	10222.71	477826203	9555.86


Reconciliation of the numbers and amount of Equity shares -

For the year ended	As at March 31, 2023		As at March 31, 2022	
	Nos. of Shares	Amount (Rs./Lakhs)	Nos. of Shares	Amount (Rs./Lakhs)
Outstanding at beginning of the year	477826203	9555.86	449826203	8995.86
Add : Shares issued during the year	33342505	666.85	28000000	560.00
Less : Shares bought back during the year	-	-	-	-
Outstanding at the end of year	511168708	10222.71	477826203	9555.86

Shares held by promoters at the end of the year

S. No.	Name of the promoter	Nos. of Shares	% of share-holding
1	KANTA SURI	1510	0.00
2	RAJAS SURI (KB SURI SONS HUF)	972830	0.19
3	SANJAY SURI (SANJAY SURI SONS HUF)	2100000	0.41
4	PRADUMAN LAL SURI HUF	2990	0.00
5	SUSHIL SURI (SUSHIL SURI SONS HUF)	1201560	0.24
6	ANUBHAV SURI (ARUN SURI SONS HUF)	1500000	0.29
7	MAMTA SURI	3004000	0.59
8	SONIA SURI	3679718	0.72
9	SANJAY SURI	3417240	0.67
10	P.L. SURI	400000	0.08
11	ANJU SURI	5186369	1.01
12	SUSHIL SURI	5501510	1.08
13	SUNITA SURI	3192240	0.62
14	SHALU SURI	2052250	0.40
15	VARUN SURI	3052357	0.60
16	ANUBHAV SURI	782134	0.15
17	SARA SURI	705000	0.14
18	GULFY SURI	1150000	0.22
19	AANCHAL SURI	685922	0.13
20	RAJAS SURI	155000	0.03
21	MASTER ARJUN SURI	697060	0.14

22	KANAK SURI	997060	0.20
23	AANANDI SURI	750000	0.15
24	AAKRITI SURI	55000	0.01
25	BROOK INVESTMENTS AND FINANCIAL SERVICES PRIVATE LIMITED	15159252	2.97
26	CONCEPT CREDITS AND CONSULTANTS PRIVATE LIMITED	15347724	3.00
27	EPITOME HOLDINGS PRIVATE LIMITED	14500820	2.84
28	LIQUID HOLDINGS PRIVATE LIMITED	5003000	0.98
29	MID MED FINANCIAL SERVICES AND INVESTMENTS PRIVATE LIMITED	14973813	2.93
30	REACT INVESTMENTS AND FINANCIAL SERVICES PRIVATE LIMITED	14942134	2.92
31	SOLITARY INVESTMENTS AND FINANCIAL SERVICES PRIVATE LIMITED	15114045	2.96
32	SQUARE INVESTMENTS AND FINANCIAL SERVICES PRIVATE LIMITED	14102075	2.76
33	SOLACE INVESTMENTS AND FINANCIAL SERVICES PRIVATE LIMITED	15082790	2.95
34	SEED SECURITIES AND SERVICES PRIVATE LIMITED	14328780	2.80
35	SCOPE CREDITS AND FINANCIAL SERVICES PRIVATE LIMITED	15575405	3.05
	TOTAL	195371588	38.22

During the year, 3510 equity shares held by Late Arun Suri (promoter group), were transmitted to his spouse Mrs. Sunita Suri (promoter group). The shareholding of promoter group has changed from 38.38% to 38.22% on account of conversion of 1,20,00,000 no. of fully convertible warrants into equity shares and 2,13,09,505 no. of equity shares issued to banks/financial institutions and other pursuant to conversion of preference shares held by them, into equity shares during the current year.

B. Shareholders holding more than 5% shares - Equity Shares

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Pinfold Overseas Ltd.	38530000	7.54%	38530000	8.57

C. Rights, preferences and restrictions attached to each class of Shares and terms of redemption -

- The equity shares of the company are 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 his voting rights on any poll shall be in proportion to his 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 as per preference prescribed under the Act. The distribution will be in the proportion of the number of equity shares held by each shareholder.

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.

E. Disclosure about unpaid calls -

(₹ in Lakhs)

Unpaid Calls	As at 31.03.23	As at 31.03.22
By Directors & Officers	-	-
By Others	0.66	0.66

F. No shares have been forfeited by the company during the year.



G. In terms of Hon'ble National Company Law Tribunal ('NCLT') order dated 12.03.2018, the company sent notices to all the eligible FD holders seeking, their bank account details and identification particulars, for transfer of Fixed Deposit (FD) dues in their respective bank accounts. In all 4953 no. of fixed deposit holders submitted their identification and bank account particulars and surrendered a total of 50,38,983 Equity Shares for cancellation, with the company. All these FD holders who provided their bank account details, identification particulars and other relevant details, were paid their entire FD dues as per Hon'ble NCLT order dated 12.03.2018. The necessary information in this regard to payment of FD dues were duly submitted to the jurisdictional Registrar of Companies.

The company has approached BSE Limited (BSE) and National Stock Exchange of India (NSE) for cancellation of aforesaid shares, for which pay-out has been made by the company, in compliance with Hon'ble NCLT's order dated 12.03.2018. As soon as the Stock Exchanges give their go ahead for cancellation of said shares from total listed capital, the resultant reduction of share capital will be updated with the jurisdictional Registrar of Companies.

Necessary accounting entries for the cancellation of equity capital and reversal of reserves and surplus for ₹100.78 Lakhs and ₹469.63 Lakhs respectively, will be given effect on the receipt of guidance from stock exchanges and depositories. The total sum of ₹570.41 Lakhs, comprising of debit balance of share capital and reserves & surplus, is appearing under head - other current assets. Aforesaid entries has insignificant impact on EPS and current assets.

14. BORROWINGS (₹ in Lakhs)

Long Term	Current Portion		Non Current Portion	
	As at 31.03.23	As at 31.03.22	As at 31.03.23	As at 31.03.22
Secured				
Term Loans - Vehicles	105.11	111.63	93.35	132.11
Total	105.11	111.63	93.35	132.11

Above loans represent vehicle loans, repayable on monthly basis, secured by way of hypothecation of specific assets purchased under the hire purchase agreement.

Particulars	Current Portion	Non Current Portion				
		2023-24	2024-25	2025-26	2026-27	2027-28
Annual Repayment Amount (Rs./Lakhs)	105.11	67.91	14.99	3.35	3.32	3.78
Annual Rate of Interest (%)	6.85% – 8.50%	6.85% – 8.50%	6.85% – 8.50%	6.85% – 8.50%	6.85% – 8.50%	6.85% – 8.50%

(₹ in Lakhs)

	As at 31.03.2023	As at 31.03.2022
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Short Term

Secured

Bank Overdraft and Bill Discounting facility against term deposit (Refer Note No. 10) (Annual rate of interest chargeable on aforesaid facilities ranges upto 18.5%)	2317.95	1613.16
Current maturities of Long Term Borrowings	105.11	111.63
Total	2423.06	1724.79

15. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Security Deposits from Business Associates & Others	196.50	196.45
	196.50	196.45

16. PROVISIONS

(₹ in Lakhs)

Long Term	Current Portion		Non Current Portion	
	As at 31.03.23	As at 31.03.22	As at 31.03.23	As at 31.03.22
Gratuity	538.21	303.67	2201.03	1990.01
Leave Encashment	204.00	143.25	685.76	674.02
Income Tax (Net of tax payments)	649.73	455.73	-	-
Other Expenses	99.46	58.30	-	-
Total	1491.40	960.95	2886.79	2664.03

17. TRADE PAYABLES

Total outstanding dues of micro small and medium enterprises	234.36	62.17
Total outstanding dues of creditors other than micro small and medium enterprises	21075.32	21669.74
	21309.68	21731.91

Trade Payables due for payment

No interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

Ageing of Trade Payables (2022-23)	< 1 year	1-2 years	2-3 years	3 years or more	Total
(i) MSME	234.36	-	-	-	234.36
(ii) Others	20803.42	107.73	51.69	112.48	21075.32
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total Payables	21037.78	107.73	51.69	112.48	21309.68

Ageing of Trade Payables (2021-22)	< 1 year	1-2 years	2-3 years	3 years or more	Total
(i) MSME	62.17	-	-	-	62.17
(ii) Others	21451.90	73.27	52.35	92.22	21669.74
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total Payables	21514.07	73.27	52.35	92.22	21731.91

(₹ in Lakhs)

	As at 31.03.2023	As at 31.03.2022
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18. OTHER FINANCIAL LIABILITIES -CURRENT

Preference Shares	-	11465.20
Accrued Salaries and Benefits	1574.63	1372.94
Others	2166.58	2186.90
	3741.21	15025.04



A. Preference Shares

Redemption of Preference Shares

During the year, entire 0.01% 1,14,65,201 no. of Preference Shares of ₹100/- each, being considered as part of financial liability as per relevant Ind AS and the accrued dividend thereon forming part of finance cost till March 2022, were converted into 0.01% Compulsorily Convertible Preference Shares ("CCPS") of ₹100/- each, followed by conversion thereof into 2,13,42,505 no. of equity shares of ₹2/- each, at a conversion price of ₹53.72/- per share, a price derived as per SEBI (ICDR) Regulations, 2018, as amended. The listing and trading approvals in respect of Equity Shares so issued, was also obtained during the year.

Upon conversion of preference shares into the equity shares, the liability of the company in the form of preference shares dues outstanding towards Banks/ FIs and others, has been extinguished and corresponding increase in, paid-up equity share capital and reserves of the company has been taken place during the year.

	As at March 31, 2023		As at March 31, 2022	
	Nos. of Shares	Amount (₹/ Lakhs)	Nos. of Shares	Amount (₹/ Lakhs)
Authorised				
Preference Shares of ₹100/- each	5,000,000	5000.00	1,20,00,000	12000.00
Issued, Subscribed & paid up				
Preference Shares of ₹100/- each	-	-	11465201	11465.20
0.01% Optionally Convertible	-	-	9735201	9735.20
0.01% Cumulative Redeemable	-	-	1730000	1730.00
Total	-	-	11465201	11465.20

Reconciliation of the numbers and amount of Preference shares

	As at March 31, 2023		As at March 31, 2022	
	Nos.	Amount (₹/ Lakhs)	Nos.	Amount (₹/ Lakhs)
Outstanding at beginning of the year	11465201	11465.20	11965201	11965.20
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back redeemed during the year	11465201	11465.20	500000	500.00
Outstanding at the end of year	-	-	11465201	11465.20

B. Shareholders holding more than 5% shares -

a) 97,35,201, 0.01% Optionally Convertible Redeemable Shares -

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Bank of Nova Scotia	-	-	1179000	12.11
Stressed Assets Stabilisation Fund (SASF)	-	-	961044	9.87
EXIM Bank Ltd.	-	-	916333	9.41
SICOM Ltd.	-	-	829463	8.52
Punjab National Bank	-	-	671522	6.90
Oriental Bank of Commerce	-	-	623828	6.41
Dena Bank	-	-	593936	6.10
UCO Bank	-	-	515900	5.30

b) 17,30,000, 0.01% Cumulative Redeemable Shares -

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Oriental Bank of Commerce			1000000	57.80
Axis Bank Ltd.			500000	28.90
Blue Sky Securities Pvt. Ltd.			200000	11.56

(₹ in Lakhs)

As at 31.03.2023 As at 31.03.2022

19. OTHER CURRENT LIABILITIES

Advance received from Customers	-	341.63
Statutory remittances	132.24	484.31
	<u>132.24</u>	<u>825.94</u>

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)	81.75	20.58
Guarantees	416.72	10.36
Other money for which company is contingently liable	167.89	133.12
	<u>666.36</u>	<u>164.06</u>

b) Other commitments

Capital commitments	517.73	1733.60
	<u>1,184.09</u>	<u>1897.66</u>

(₹ in Lakhs)

Year Ended 31.03.2023 Year Ended 31.03.2022

21. REVENUE FROM OPERATIONS

<u>Sale of products</u>		
Domestic	76328.38	88723.66
Exports	57219.53	55881.27
Total	<u>133547.91</u>	<u>144604.93</u>
<u>Other Operating Revenues</u>		
Export Incentives	314.15	289.15
Other items	26.27	32.58
	<u>340.42</u>	<u>321.73</u>
	<u>133888.33</u>	<u>144926.66</u>

Break-up of revenue from sale of products (net of taxes)

<u>Manufactured goods</u>		
API & Intermediates	82303.76	85846.12
Home Health Formulations	28420.94	30676.44
	<u>9240.78</u>	<u>8801.82</u>
Sale of Manufactured Goods - (A)	<u>119965.48</u>	<u>125324.38</u>
<u>Traded Goods</u>		
Home Health Formulations	4285.96	11215.55
	<u>9296.47</u>	<u>8065.00</u>
Total Sales of Traded Goods - (B)	<u>13582.43</u>	<u>19280.55</u>
Total Sales Revenues (A+B)	<u>133547.91</u>	<u>144604.93</u>

22. OTHER INCOME

Interest Income	165.74	132.98
Others	410.14	890.55
	<u>575.88</u>	<u>1023.53</u>



	(₹ in Lakhs)	
	Year Ended 31.03.2023	Year Ended 31.03.2022
23. COST OF MATERIALS CONSUMED		
Raw Materials	72588.90	72816.69
Packing Materials	5552.02	6896.27
	<u>78140.92</u>	<u>79712.96</u>
Break up of cost of materials consumed		
API & Intermediates	54136.19	52778.76
Home Health	17927.55	20804.30
Formulations	6077.18	6129.90
Total	<u>78140.92</u>	<u>79712.96</u>
24. PURCHASE OF STOCK-IN-TRADE		
Home Health	2936.16	12458.81
Formulations	7570.77	6708.75
Total	<u>10506.93</u>	<u>19167.56</u>
25. CHANGE IN INVENTORY		
Opening Balance -		
Work-in-progress	3582.17	4365.80
Finished goods	3722.87	3683.58
Stock-in-trade	2462.00	1979.75
Stores and spares	348.95	260.81
	<u>10115.99</u>	<u>10289.94</u>
Closing Balance -		
Work-in-progress	3864.55	3582.17
Finished goods	3511.27	3722.87
Stock-in-trade	636.72	2462.00
Stores and spares	449.59	348.95
	<u>8462.13</u>	<u>10115.99</u>
Change in Inventory	<u>1653.86</u>	<u>173.95</u>
26. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	13317.55	13814.82
Contribution to provident fund/ ESI	378.08	354.40
Gratuity and Leave Encashment	495.49	457.86
Staff Welfare	428.18	373.01
	<u>14619.30</u>	<u>15000.09</u>
27. FINANCE COST		
Interest expense	198.08	242.61
Dividends on Cumulative Preference Shares	-	(979.16)
	<u>198.08</u>	<u>(736.55)</u>

*Includes ₹54.58 Lakhs (Previous year ₹138.92 Lakhs) towards interest on delay in deposit of Advance Tax

	(₹ in Lakhs)	
	Year Ended 31.03.2023	Year Ended 31.03.2022
28. OTHER EXPENSES		
Consumption of Stores and spare parts	1462.84	1161.71
Power and Fuel	2377.70	1892.92
Rent	976.63	716.05
Repairs to Buildings	228.74	177.33
Repairs to Machinery	547.07	522.55
General Repairs	1142.84	477.58
Insurance	125.58	134.75
Research & Development	306.89	297.38
Quality Control & Testing Charges	1068.61	840.33
Rates and Taxes	221.62	167.50
Legal and Professional Expenses	1145.13	1123.80
Travelling Expenses	1429.51	972.89
Selling and Distribution Expenses	5841.58	4489.79
Miscellaneous Expenses	4365.60	4983.73
	<u>21240.34</u>	<u>17958.31</u>
29. PAYMENTS TO AUDITORS (excluding GST)		
Statutory Auditors -		
Audit Fee	25.00	30.00
Tax Audit Fee	13.00	6.00
Tax Matters	2.00	4.00
Certification & Others	2.00	3.28
Total	<u>42.00</u>	<u>43.28</u>
Cost Auditors-		
Audit Fees	2.00	2.00
Others	2.50	2.50
Total	<u>4.50</u>	<u>4.50</u>
30. PRIOR PERIOD ITEMS		
Expenses include ₹32.32 Lakhs (Previous Year ₹44.46 Lakhs) as expenses relating to earlier years.		
31. DISCLOSURES ABOUT IMPORTS, EXPENDITURE IN FOREIGN CURRENCY, RAW MATERIAL CONSUMPTION & EARNINGS IN FOREIGN EXCHANGE -		
A. VALUE OF IMPORTS ON CIF BASIS		
Raw Materials	41327.33	49554.82
Stock -in -trade	1913.08	8389.47
Capital Goods	77.47	227.55
	<u>43317.88</u>	<u>58171.84</u>
B. EXPENDITURE IN FOREIGN CURRENCY		
Purchase of Capital Goods/ Travel/ Commission	1117.10	884.36
	<u>1117.10</u>	<u>884.36</u>



	(₹ in Lakhs)	
	Year Ended 31.03.2023	Year Ended 31.03.2022
C. VALUE OF IMPORTED AND INDIGENIOUS RAW MATERIAL CONSUMED AND PERCENTAGE THEREOF		
Imported	47021.83	48984.10
Indigenous	31119.09	30728.86
	<u>78140.92</u>	<u>79712.96</u>
% Imported	60.18	61.45
% Indigenous	39.82	38.55
	<u>100.00</u>	<u>100.00</u>
D. EARNINGS IN FOREIGN EXCHANGE		
Exports of Goods on F.O.B. basis	56566.49	55134.74
	<u>56566.49</u>	<u>55134.74</u>

32. 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.

33. 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 Bio Inc., USA (Formely Morepen Inc.) Dr. Morepen Limited Morepen Devices Limited Morepen Rx Limited Total Care Limited	Overseas Company Domestic Company Domestic Company Domestic Company Domestic Company
2. Key Management Personnel	Mr. Sushil Suri, Chairman & Managing Director Mr. Sanjay Suri, Whole Time Director Mr. Ajay Kumar Sharma, Chief Financial Officer Mr. Vipul Kumar Srivastava, Company Secretary
3. Relatives of Key Management personnnels 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. 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 - Domestic Company Domestic Company Domestic Company	Liquid Holdings Private Limited React Investments & Financial Services Private Limited Mid Med Financial Services Investments Private Limited

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 Groom Town Pvt. Ltd. Happier Life Pvt. Ltd. Vignet Trading Pvt. Ltd. Morepen Overseas Pvt. Ltd.
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Transactions with related parties -

Particulars	Nature of transaction	₹/Lakhs
1. Subsidiary Companies	Subscription of Share Capital	5.00
	Sale of inventories	4153.01
	Brand Usage expenses	163.53
	Purchase of inventories	122.74
	Reimbursement of Office & Rental Expense	173.88
	Amount receivable as on 31.03.2023	2350.84
	Maximum amount outstanding	3645.56
2. Key Management Personnel	Remuneration	805.09
	Amount Payable as on 31.03.23	149.44
	Maximum amount outstanding	181.74
3. Relatives of key Management personnnels with whom the company has any transaction during the year	Remuneration	693.01
	Amount payable as on 31.03.23	195.21
	Maximum amount outstanding	251.61
4. Entities controlled or jointly controlled by a person or close members of that person's family having control or joint control over the reporting entity having any transactions during the year	Receipt of balance 75% share warrant subscription money	2250.00
	Trade Advances	213.84
	Amount payable as on 31.03.23	Nil
	Maximum amount outstanding	213.84
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	Receipt of services	51.88
	Trade Advances	585.00
	Amount payable as on 31.03.23	7.79
	Maximum amount outstanding	560.45

Remuneration paid to employees of Morepen Laboratories Ltd. and its KMPs of the subsidiaries, is not included in the above details. The above details also do not include retail purchases from the company made by related parties.



34. EARNING PER SHARE

Particulars	Year Ended	
	31.03.2023	31.03.2022
Profit for the year (₹ in Lakhs)	4624.29	10106.29
Earnings per share in rupees (face value ₹2/- per share)-		
Weighted average number of equity shares used in computing basic EPS	502206570	449979628
Basic EPS (₹) - (Face value of ₹2/- per share)	0.92	2.25
Weighted average number of equity shares used in computing diluted EPS	502206570	519826203
Diluted EPS (₹) - (Face value of ₹2/- per share)	0.92	1.94

35. EMPLOYEE BENEFITS

Disclosures as per Accounting Standard, Ind AS -19 'Employee Benefits' is as under -

(A) Disclosures for Defined Contribution Plans -		(₹/ Lakhs)		
Particulars	31.03.2023	31.03.2022		
Employer's Contribution to Provident Fund	345.67	321.05		
Employer's Contribution to Employees State Insurance	31.60	33.33		
Labour Welfare Fund- Employer	0.80	-		
(B) Disclosures for Defined Benefit Plans - Unfunded		(₹/ Lakhs)		
Particulars	Gratuity		Leave Encashment	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
I Change in the present value of obligation:				
Present Value of Obligation at beginning of the year	2293.68	2035.79	817.28	725.59
Add: Interest Cost	185.68	158.76	69.91	63.24
Add: Current Service Cost	175.90	161.03	277.36	390.24
Less:- Benefit Paid	113.39	107.57	288.79	207.55
Add: Acturial loss/(gain) on obligations	197.37	45.67	14.02	(154.24)
Present Value of Obligation as at year end	2739.24	2293.68	889.78	817.28
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	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Current Service Cost	175.90	161.03	277.36	390.24
Add: Interest Cost	185.68	158.76	69.91	63.24
Less: Expected Return on plan asstes	-	-	-	-
Less: Settlement Credit	-	-	227.39	161.17
Add: Net acturial loss/(gain) recognised	197.37	45.67	14.02	(154.24)
Total expenses recognized in the statement of profit & loss	558.95	365.46	133.90	138.07

IV The following table sets out the assumptions used in actuarial valuation of gratuity and leave encashment-

Assumptions	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Discount Rate	7.20%	7.30%	7.20%	7.10%
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)	19.91	20.10	20.07	20.10

*Note: A sum of ₹227.39 Lakhs (previous year ₹161.17 Lakhs) benefits paid as salaries in respect of compensated absences and ₹61.40 Lakhs (previous year ₹46.38 Lakhs) regular benefit payments upon exit from service is included in the amount of ₹288.79 Lakhs (previous year ₹207.55 Lakhs) of benefits paid.

36. IMPAIRMENT

It is the view of management that there are no impairment conditions that exist as on 31st March, 2023. Hence, no provision is required in the accounts for the year under review.

37. INCOMETAXES

A. Current Tax and Deferred Tax Expense

Income taxes recognised in the statement of profit and loss including Other Comprehensive Income (OCI)-

For the year ended	31.03.2023	31.03.2022
Current tax	1607.40	2453.53
Earlier Years taxes	(0.41)	(262.52)
Deferred tax expense	20.34	248.26
Total income tax expenses	1627.33	2439.27

B. Deferred Tax Liabilities/ (Assets) (Net)

Deferred Tax Liabilities	1225.59	1166.67
Deferred Tax Assets	956.99	918.41
Deferred tax Liabilities/(Assets) (Net)	268.60	248.26

Major Components of temporary difference and their movements thereof are given below -

Deferred Tax Assets -		
Provisions deductible for tax purposes in future periods	3629.02	538.17
Retirement benefits & Leave Encashment	173.38	3110.96
Total	3802.40	3649.13



Tax Rate	25.17%	25.17%
Tax Amount	956.99	918.41
Deferred tax Liabilities -		
PP&E depreciation and Intangible Amortiation	4869.61	4635.52
Total	4869.61	4635.52
Tax Rate	25.17%	25.17%
Tax Amount	1225.59	1166.67

38. UTILISATION OF PROCEEDS OF PREFERENTIAL ALLOTMENT

The utilisation of warrant subscription money of ₹2250.00 Lakhs is as under -

Particulars	Amount (₹/ Lakhs)
Working Capital	2250.00
Balance in Hand	-
Total	2250.00

39. OTHERS SIGNIFICANT DISCLOSURES

- In the opinion of directors, all assets except 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.
- During the year, a newly wholly owned subsidiary namely Morepen Rx Limited was incorporated.
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

40. Corporate Social Responsibility (CSR)

- During the financial year ended March 31, 2023, CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof was ₹189.57 Lakh (Previous year ₹114.97 Lakh).
- During the year the Company has made an expenditure of ₹190.26 Lakh (Previous year ₹119.81 Lakh) related to CSR.
- Details of CSR expenditure incurred during the year ended March 31, 2023 is as below :-

Nature of CSR activity	(₹/ Lakhs)	
	31.03.2023	31.03.2022
-Promotion of Healthcare	48.63	40.54
-Social Infrastructure	98.57	66.37
-Education	29.24	9.18
-Sports	13.82	3.72
Total	190.26	119.81

41. Ratios

	As at 31.03.2023	As at 31.03.2022
Current Ratio	2.51	2.35
- Numerator - Current Assets	73084.80	67676.08
- Denominator - Current Liabilities		
CURRENT LIABILITIES	29097.59	40268.63
Less : Preference Capital	-	11465.20
	29097.59	28803.43

Debt-Equity ratio

	As at 31.03.2023	As at 31.03.2022
- Numerator - Debt	2516.41	1856.90
- Denominator		
Equity	10222.04	9555.86
Reserves & Surplus	68474.43	59641.99
Warrants	-	2625.00
OCI	(685.72)	(540.94)
Total Equity	78010.75	71281.91

Debt Service Coverage ratio

	As at 31.03.2023	As at 31.03.2022
- Numerator - EBITDA	8302.86	13937.32
- Denominator		
Interest on loans	198.08	242.61
Principal loans	2516.41	1856.90
Total Loan liability	2714.49	2099.51

Return on Equity ratio

	As at 31.03.2023	As at 31.03.2022
- Numerator - PAT	4624.29	10106.29
- Denominator		
Equity	10222.04	9555.86
Reserves & Surplus	68474.43	59641.99
Warrants	-	2625.00
OCI	(685.72)	(540.94)
Total Equity	78010.75	71281.91

Inventory turnover ratio

	As at 31.03.2023	As at 31.03.2022
- Numerator - Cost of Goods Sold	90301.71	99054.47
- Denominator - Average Inventory	23480.13	21393.18

Trade receivables turnover ratio (days)

	As at 31.03.2023	As at 31.03.2022
- Numerator - Revenue	134464.21	145950.19
- Denominator - Average Debtors	23867.12	18869.63

Trade payables turnover ratio (days)

	As at 31.03.2023	As at 31.03.2022
- Numerator - COGS	90301.71	99054.47
- Denominator - Average Creditors	21520.80	20482.62

Net capital turnover ratio

	As at 31.03.2023	As at 31.03.2022
- Numerator - Revenue	134464.21	145950.19
- Denominator		
Equity	10222.04	9555.86
Preference Capital	-	11465.20
Reserves & Surplus	68474.43	48176.79
Warrants	-	2625.00
OCI	(685.72)	(540.94)
Total Equity	78010.75	71281.91

Net profit ratio

	As at 31.03.2023	As at 31.03.2022
- Numerator - PAT	4624.29	10106.29
- Denominator - Revenue	134464.21	145950.19

Return on Capital employed

	As at 31.03.2023	As at 31.03.2022
- Numerator - (PAT+Interest)	4822.37	9369.74
- Denominator		
Shareholder's wealth	78010.75	59816.71
Preference Capital	-	11465.20
Non current borrowings	93.35	132.11
Non Current Liabilities	3351.89	3108.74
Total capital employed	81455.99	74522.76

Return on investment

	As at 31.03.2023	As at 31.03.2022
- Numerator - PAT	4624.29	10106.29
- Denominator - Total Assets	110554.25	103326.19

Note : For computation of above ratios the preference capital of ₹Nil (Previous year ₹11465.20 Lakhs) was considered as part of Equity as the preference shareholders had given their assent for conversion of preference capital into Equity Capital. Now converted to Equity in current Financial Year.



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, 2023, 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,

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, the company has paid Fixed Deposit dues in respect of 50,38,983 Equity Shares received for cancellation with the company till 31.03.2022.</p> <p>(Refer Note No. 12G to the consolidated 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 produced for our verification.</p> <p>The payment to pending eligible FD holders may impact financials of the company in the coming year/years.</p>

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, 2023, 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.

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 skepticism 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. 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 subsidiaries namely Morepen Devices Limited, Morepen Rx Limited, Total Care Ltd. (Indian Subsidiaries) and Morepen Bio [earlier Morepen Inc.] (foreign Subsidiary) included in consolidated financial statements. Financial statement of these four subsidiaries reflect total assets of ₹595.65 lakhs as at March 31, 2023, total revenue of ₹2701.12 lakhs, total profit after tax of ₹111.86 lakhs and total comprehensive income of ₹111.86 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 reports have 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 these subsidiaries, is based solely on the report of the auditors of such entities.

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 2023 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 2023 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) There is no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.
- h) 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.

- i) With respect to the other matters to be included in the Auditors' 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 the financial position of the group, in its consolidated financial statements;
 - (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.
 - (iv) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement. (Refer Note No. 33(f) to the consolidated financial statements)
 - (v) No Company in the group has declared or paid any dividend during the year.

For S.P. Babuta & Associates
 Chartered Accountants
 F.No. 007657N

CA S.P. Babuta
 Managing Partner
 FCA, AIIA, IP, DISA, CCA
 GST Cert, Forensic Auditor
 Membership No. 086348
 UDIN : 23086348BGYBEB6208

Date : 16th May, 2023
 Place : Gurugram, Haryana



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 2023)

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, 2023, 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, 2023, 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 subsidiaries namely Morepen Devices Limited, Morepen Rx Ltd., Total Care Ltd. (Indian Subsidiaries) and Morepen Bio [earlier Morepen Inc.] (Foreign Subsidiary), is based solely on the reports of the auditors of such entities.

For S.P. Babuta & Associates
Chartered Accountants
F.No. 007657N

CA S.P. Babuta
Managing Partner
FCA, AIIA, IP, DISA, CCA
GST Cert, Forensic Auditor
Membership No. 086348
UDIN : 23086348BGYBEB6208

Date : 16th May, 2023
Place : Gurugram, Haryana



Consolidated Balance Sheet

 As at 31st March, 2023

		(₹ in Lakhs)	
		As at	As at
		31.03.2023	31.03.2022
A ASSETS	Note No.		
1. NON-CURRENT ASSETS			
Property, Plant and Equipment and Intangible Assets			
Property, Plant and Equipment	2	16699.90	14664.72
Capital Work in Progress	2	1701.37	1414.58
Goodwill	2	7447.42	7447.42
Other Intangible Assets	2	2549.86	3067.68
Financial Assets :			
Investments		-	-
Loans	3	4.95	5.72
Other Financial Assets	4	637.77	584.62
Other Non-Current Assets	5	6391.77	6390.42
		<u>35433.04</u>	<u>33575.16</u>
2. CURRENT ASSETS			
Inventories	6	22888.63	27585.41
Financial Assets :			
Trade Receivables	7	26324.70	25064.31
Cash and Cash Equivalents	8	2166.58	1580.26
Bank Balances other than Cash and Cash Equivalents	9	3463.97	3016.80
Loans	3	27.37	34.19
Other Financial Assets	10	551.27	506.29
Other current assets	11	20193.95	15642.85
		<u>75616.47</u>	<u>73430.11</u>
TOTAL		<u>111049.51</u>	<u>107005.27</u>
B. EQUITY AND LIABILITIES			
1. EQUITY			
Equity Share Capital	12	10222.71	9555.86
Other Equity		65068.10	48300.26
		<u>75290.81</u>	<u>57856.12</u>
2. MINORITY INTEREST	13	(46.04)	(46.07)
3. NON - CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	14	93.35	132.11
Other Financial liabilities	15	352.02	344.71
Deferred Tax Liabilities (Net)	32	268.60	248.26
Provisions	16	2974.46	2824.45
		<u>3688.43</u>	<u>3549.53</u>
4. CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	14	2423.06	1724.79
Trade Payables	17	22687.93	25811.56
Other Financial liabilities	18	5012.64	15758.86
Other Current Liabilities	19	368.57	1126.79
Provisions	16	1624.11	1223.69
		<u>32116.31</u>	<u>45645.69</u>
TOTAL		<u>111049.51</u>	<u>107005.27</u>
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-35		

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

For S.P. Babuta & Associates
 Chartered Accountants
 Firm Regn. No. 007657N

(Sushil Suri)
 Chairman & Managing Director
 DIN : 00012028

(Manoj Joshi)
 Director
 DIN : 00036546

(CA S.P. Babuta)
 Partner
 Membership No. 086348

(Ajay Kumar Sharma)
 Chief Financial Officer

(Vipul Kumar Srivastava)
 Company Secretary
 Membership No. F-12148

 Place : Gurugram, Haryana
 Date : 16th May, 2023

Consolidated Statement of Profit and Loss

 For the Year Ended 31st March, 2023

		(₹ in Lakhs)	
		Year Ended	Year Ended
		31.03.2023	31.03.2022
REVENUE	Note No.		
Revenue from operations (Net)	21	141753.00	154682.69
Other Income	22	613.34	1030.72
Total Income (I)		<u>142366.34</u>	<u>155713.41</u>
EXPENSES			
Cost of Materials Consumed	23	78140.92	79712.96
Purchases of Stock-in-Trade		15785.21	26222.65
Changes in inventories of Finished goods Work-in-progress and Stock-in-Trade		1648.31	(1003.59)
Employee Benefits Expense	24	15468.05	16424.65
Finance Cost	25	198.08	(736.55)
Depreciation and Amortization Expense	2	2793.04	2764.25
Other Expenses	26	22757.20	19658.79
Total Expenses (II)		<u>136790.81</u>	<u>143043.15</u>
Profit before Tax		<u>5575.53</u>	<u>12670.26</u>
Tax Expense			
Current Tax		1681.78	2528.49
Earlier periods Tax		5.86	(274.62)
Deferred Tax	32	20.34	248.26
Total Tax Expense		<u>1707.98</u>	<u>2502.13</u>
Profit for the Year (III)		<u>3867.55</u>	<u>10168.13</u>
Share of minority interest in Profit/ (loss)		0.03	(0.14)
Profit for the year available for majority shareholders		<u>3867.52</u>	<u>10168.27</u>
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss		(200.62)	(46.00)
Tax		(52.59)	(8.90)
Other Comprehensive Income for the Year (Net of Tax) (IV)		<u>(148.03)</u>	<u>(37.10)</u>
Total Comprehensive Income for the Year (III+IV)		<u>3719.49</u>	<u>10131.17</u>
Earning per equity share (Face Value of ₹2/- each)	30		
(1) Basic		0.77	2.26
(2) Diluted		0.77	1.96
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-35		

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

For S.P. Babuta & Associates
 Chartered Accountants
 Firm Regn. No. 007657N

(Sushil Suri)
 Chairman & Managing Director
 DIN : 00012028

(Manoj Joshi)
 Director
 DIN : 00036546

(CA S.P. Babuta)
 Partner
 Membership No. 086348

(Ajay Kumar Sharma)
 Chief Financial Officer

(Vipul Kumar Srivastava)
 Company Secretary
 Membership No. F-12148

 Place : Gurugram, Haryana
 Date : 16th May, 2023



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March, 2023

A. EQUITY SHARE CAPITAL

As at 31 st March, 2023					(₹ in Lakhs)
Balance as at 1 st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Change in equity share capital during the year	Balance as at 31 st March, 2023	
9555.86	-	9555.86	666.85	10222.71	
As at 31 st March, 2022					
Balance as at 1 st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Change in equity share capital during the year	Balance as at 31 st March, 2022	
8995.86	-	8995.86	560.00	9555.86	

B. OTHER EQUITY AS AT 31st MARCH, 2023

	RESERVES & SURPLUS				Other items of other comprehensive income	Warrant subscription received	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings			
Balance as at 1 st April, 2022	270.40	7623.33	23180.51	15133.68	(532.66)	2625.00	48300.26
Money received against Share Warrants						2250.00	2250.00
- Amount transferred to Equity Share Capital on conversion of warrants						(240.00)	(240.00)
- Additions to Securities Premium Account			13798.35			(2760.00)	11038.35
Amount transferred to Capital Reserve Account	1875.00					(1875.00)	-
Profit for the year	-	-	-	3867.52	-	-	3867.52
Other comprehensive income/(loss) for the year	-	-	-	-	(148.03)	-	(148.03)
Balance as at 31 st March, 2023	2145.40	7623.33	36978.86	19001.20	(680.69)	-	65068.10

OTHER EQUITY AS AT 31st MARCH, 2022

(₹ in Lakhs)

	RESERVES & SURPLUS				Other items of other comprehensive income	Warrant subscription received	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings			
Balance as at 1 st April, 2021	270.40	7123.33	16740.51	5465.42	(495.54)	4375.00	33479.12
Money received against Share Warrants	-	-	-	-	-	5250.00	5250.00
Amount transferred to Equity Share Capital on conversion of warrants	-	-	-	-	-	(560.00)	(560.00)
Additions to Securities Premium Account	-	-	6440.00	-	-	(6440.00)	-
Profit for the year	-	-	-	10168.27	-	-	10168.27
Transfer to Capital Redemption Reserve	-	500.00	-	(500.00)	-	-	-
Other comprehensive income/(loss) for the year	-	-	-	-	(37.12)	-	(37.12)
Balance as at 31 st March, 2022	270.40	7623.33	23180.51	15133.68	(532.66)	2625.00	48300.26

1. The money received against share warrants ('warrants') represents the amount received towards 700 Lakh no. of warrants, of face value of ₹2/- each, allotted at ₹25/- per warrant, on receipt of 25% of the warrant allotment amount during the FY 2021. The warrants holders were entitled to apply for equivalent no. of equity shares vis-à-vis warrant within a period of 18 months from the date of allotment of warrant. During the previous financial year ending March 31, 2022, the board of directors had converted 280 Lakh nos. of warrants into equal nos. of equity shares on receipt balance 75% of the warrant amount, ₹5,250 Lakh.

During the current financial year, the board of directors has converted 120 Lakh nos. of warrants into equal no. of equity shares, on receipt of remaining 75% the warrant amount of ₹2250.00 Lakh. In aggregate, out of total 700 Lakh nos. of warrants, 400 Lakh nos. of warrants were converted into equal no. equity shares within the prescribed period and remaining 300 Lakh no. of warrants were lapsed during the current year ending March 31, 2023. Accordingly, a sum of ₹1875.00 Lakh i.e., upfront 25% of the warrant subscription monies in respect of these 300 Lakh nos. of warrants, received during the financial year ending March 31, 2021, has been transferred into Capital Reserve Account, during the current year ending March 31, 2023.

2. During the year, 2,13,42,505 no. of equity shares of ₹2/- each, at a conversion price of ₹53.72/- per share were issued to banks/financial institution and other, towards conversion of 0.01% 1,14,65,201 no. of Preference Shares of ₹100/- each held by them.

SIGNIFICANT ACCOUNTING POLICIES

1

NOTES ON FINANCIAL STATEMENTS

2-35

As per our separate report of even date

For & on behalf of the Board of Directors of Morepen Laboratories Limited

For S.P. Babuta & Associates
Chartered Accountants
Firm Regn. No. 007657N

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Manoj Joshi)
Director
DIN : 00036546

(CA S.P. Babuta)
Partner
Membership No. 086348

(Ajay Kumar Sharma)
Chief Financial Officer

(Vipul Kumar Srivastava)
Company Secretary
Membership No. F-12148

Place : Gurugram, Haryana
Date : 16th May, 2023



Consolidated Cash Flow Statement

For the Year Ended 31st March, 2023

	Note No.	Year Ended 31.03.2023	(₹ in Lakhs) Year Ended 31.03.2022
A. CASH FLOWS FROM OPERATING ACTIVITIES :			
Profit before Tax		5575.53	12670.26
Adjustments for :			
Depreciation & Amortisation	2	2793.04	2764.25
(Profit)/Loss on Sale of Property, Plant & Equipments, Mutual Funds	2	-	(36.02)
Provision for Employee benefit (OCI)		(200.62)	(46.00)
Finance Cost (Net)	25	198.08	(736.55)
Minority Interest		(0.03)	0.14
Operating Profit before changes in Current Assets and Liabilities		8366.00	14616.08
Changes in Current Assets and Liabilities -			
Trade Receivables	7	(1260.39)	(6865.89)
Loans, Bank balance other than cash & Cash equivalent and other Current Assets	3,9,10,11	(5036.42)	(6390.71)
Inventories	6	4696.78	(10052.87)
Current Liabilities	16,17,18,19	(14227.64)	5162.60
Cash generated from operations		(7461.67)	(3530.79)
Income Tax (Net)		(1655.39)	(2493.23)
NET CASH FLOW - OPERATING ACTIVITIES		(9117.06)	(6024.02)
B. CASH FLOWS - INVESTING ACTIVITIES:			
Purchase of Property, Plant & Equipments	2	(3562.06)	(4544.62)
Purchase/Addition of Intangibles/Goodwill (Net)	2	(1035.14)	(2192.18)
Proceeds from Sale of Property, Plant & Equipments	2	-	16.71
Sales/(Purchase) of Investments (Net)		-	154.11
Investment in Other Non-Current Assets	3,4,5	(53.73)	3398.13
NET CASH FLOW - INVESTING ACTIVITIES		(4650.93)	(3167.85)
C. CASH FLOWS FROM FINANCING ACTIVITIES:			
Finance Cost	25	(198.08)	736.55
Proceeds/(Repayments) of Long Term Borrowings (Net)	14	(38.76)	49.28
Proceeds/(Repayments) of Short Term Borrowings (Net)	14	698.27	103.05
Proceeds from Warrant subscription/Preference Sh. conversion		13715.20	5,250.00
Change in Other	13,15,16,32	177.68	494.56
Non- Current Liabilities & Provisions (Net)			
NET CASH FLOW - FINANCING ACTIVITIES		14354.31	6633.44
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		586.32	(2558.43)
Cash and Cash Equivalents as at Beginning of the Year		1580.26	4138.69
Cash and Cash Equivalents as at End of the Year		2166.58	1580.26
Bank Balances other than Cash and Cash Equivalents		3463.97	3016.80
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-35		

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

For S.P. Babuta & Associates
Chartered Accountants
Firm Regn. No. 007657N

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Manoj Joshi)
Director
DIN : 00036546

(CA S.P. Babuta)
Partner
Membership No. 086348

(Ajay Kumar Sharma)
Chief Financial Officer

(Vipul Kumar Srivastava)
Company Secretary
Membership No. F-12148

Place : Gurugram, Haryana
Date : 16th May, 2023

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

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 thereafter, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements consist of financial statements of Morepen Laboratories Ltd. (parent company) and its five subsidiaries namely Dr. Morepen Ltd., Total Care Ltd., Morepen Devices Ltd., Morepen Rx Ltd. (Domestic Companies) and Morepen Bio.[earlier 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*
Morepen Devices Ltd.	India	100
Morepen Rx Ltd.	India	100

*(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 16, 2023.

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 Rs. 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.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

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 value of consideration received or receivable. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract. 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, 2023

2. I) PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTIZATION			CARRYING VALUE	
	As at 01.04.2022	Additions	(Disposals)/ Adjustments	As at 01.04.2022	For the year	Deductions/ Adjustments	As at 31.03.2023	As at 31.03.2022
	143.28	946.45	143.28	4044.34	207.01	-	143.28	143.28
Buildings	8140.76	946.45	9087.21	4044.34	207.01	-	4835.86	4096.42
Plant & Machinery	34991.58	2107.06	37098.64	26299.53	708.75	-	10090.36	8692.05
Furnitures & Fixtures	1290.40	33.25	1323.65	347.78	99.19	-	876.68	942.62
Vehicles	1158.86	98.21	1246.48	591.24	113.04	(10.59)	552.79	567.62
Office Equipments	602.23	90.30	692.53	379.51	112.09	-	200.93	222.72
Total	46327.11	3275.27	49591.79	31662.40	1240.08	(10.59)	16699.90	14664.72
Previous Year	50026.54	3325.67	46327.11	37098.02	1563.20	(6998.82)	14664.72	
II) CAPITAL WORK IN PROGRESS								
Buildings	751.12	(424.77)	20.23	-	-	-	346.58	751.11
Plant & Machinery	663.18	705.68	(20.23)	-	-	-	1348.63	663.19
Furniture & Fixture	0.28	5.88	-	-	-	-	6.16	0.28
Total	1414.58	286.79	1701.37	-	-	-	1701.37	1414.58
Previous Year	195.63	1464.63	(245.68)	-	-	-	1414.58	
III) GOODWILL								
Goodwill	7447.42	-	7447.42	-	-	-	7447.42	7447.42
Total	7447.42	-	7447.42	-	-	-	7447.42	7447.42
Previous Year	7447.42	-	7447.42	-	-	-	7447.42	
IV) INTANGIBLE ASSETS								
Computer Software	287.09	3.84	290.93	216.56	28.01	-	46.36	70.53
Customer Acquisition Cost	4570.16	876.82	5446.98	1856.42	1506.43	-	2084.13	2713.74
Product Development Cost	-	118.96	118.96	-	-	-	118.96	-
Right to use Assets	-	35.52	35.52	-	-	-	35.52	-
Patents & Trade Marks	2692.89	-	2692.89	2409.48	18.52	-	264.89	283.41
Total	7550.14	1035.14	8585.28	4482.46	1552.96	-	2549.86	3067.68
Previous Year	5357.96	2192.18	7550.14	3281.42	1201.04	-	3067.68	
GRAND TOTAL								
Current year	62739.25	4597.20	67325.86	36144.86	2793.04	(10.59)	28398.55	26594.40
Previous Year	63027.55	6982.48	67325.86	40379.44	2764.25	(6998.82)	26594.40	

Notes -

1) Trade mark "Burnol" 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.

(₹ in Lakhs)

3. LOANS

	Current Portion		Non Current Portion	
	As at 31.03.23	As at 31.03.22	As at 31.03.23	As at 31.03.22
Secured (Unsecured, considered good)				
Loans to Employees	27.37	34.19	4.95	5.72
	27.37	34.19	4.95	5.72
			As at 31.03.2023	As at 31.03.2022

4. OTHER FINANCIAL ASSETS - NON CURRENT

Security Deposits	637.77	584.62
	<u>637.77</u>	<u>584.62</u>

5. OTHER NON CURRENT ASSETS

	As at 31.03.23	As at 31.03.22
Unsecured		
Capital Advances (Considered good) *	6364.15	6362.65
Leasehold Land Prepayments	26.06	25.70
Prepaid (Deferred) Expenses for Employee Benefit	1.56	2.07
	<u>6391.77</u>	<u>6390.42</u>

Includes-*

₹2596.38 Lakhs 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 in the last year for a sum of ₹2840.00 Lakhs. Necessary documentation and seeking government & statutory approvals for the transfer of land in the name of the company is in progress.

6. INVENTORIES

Raw Materials	12661.60	15702.24
Work-in-progress	3864.55	3582.17
Finished goods	3511.27	3722.87
Stock -in-trade	1463.58	4222.06
Goods in transit	938.04	7.12
Stores and spares	449.59	348.95
	<u>22888.63</u>	<u>27585.41</u>

The inventory of stocks, stores and spares has been taken, valued and certified by the management.

7. TRADE RECEIVABLES

Unsecured -		
Considered good	26324.70	25064.31
Considered doubtful	275.41	582.87
	<u>26600.11</u>	<u>25647.18</u>
Less: Allowance for bad & doubtful debts	275.41	582.87
	<u>26324.70</u>	<u>25064.31</u>



Ageing of Trade Receivables (2022-23)	< than 6 months	6months-1 year	1-2 years	2-3 years	3 years or more	Total
Undisputed						
- Considered good	25831.03	238.72	178.58	67.07	9.30	26324.70
- Having significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
Disputed						
- Considered good	-	-	-	-	-	-
- Having significant increase in credit risk	-	2.68	50.70	29.11	192.92	275.41
- Credit impaired	-	-	-	-	-	-
Total Receivables	25831.03	241.40	229.28	96.18	202.22	26600.11

Ageing of Trade Receivables (2021-22)	< than 6 months	6months-1 year	1-2 years	2-3 years	3 years or more	Total
Undisputed						
- Considered good	24661.23	228.36	231.05	(14.98)	(41.37)	25064.30
- Having significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
Disputed						
- Considered good	-	-	-	-	-	-
- Having significant increase in credit risk	405.34	10.05	55.19	27.12	85.18	582.87
- Credit impaired	-	-	-	-	-	-
Total Receivables	25066.57	238.41	286.24	12.14	43.81	25647.18

8. CASH AND CASH EQUIVALENTS

Balances with banks		
Current Accounts	2141.80	1457.40
In Deposit Accounts	-	113.02
Cash in hand	24.78	9.84
	<u>2166.58</u>	<u>1580.26</u>

(₹ in Lakhs)

As at 31.03.2023 As at 31.03.2022

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)	3326.89	2984.27
Guarantees	137.08	32.53
	<u>3463.97</u>	<u>3016.80</u>

10. OTHER FINANCIAL ASSETS - CURRENT

Security Deposits	291.01	190.82
Interest accrued but not due	98.04	57.72
Export Incentives Receivable	162.22	257.75
	<u>551.27</u>	<u>506.29</u>

11. OTHER CURRENT ASSETS

<i>Unsecured considered good, unless otherwise stated</i>		
Advances with Suppliers & Others *	16567.19	11663.28
Leasehold Land Prepayments	1.47	1.11
Balance with Government Authorities	3101.54	3617.91
Advance Income Tax - Tax Deducted at source	-	52.62
Recoverable from Insurance	-	0.26
Advances to Employees	70.75	95.55
Prepaid Expenses	453.00	212.13
	<u>20193.95</u>	<u>15642.86</u>

* Includes

- Sum of ₹570.41 Lakhs paid to fixed deposit holders towards cancellation of 50,38,983 Equity Shares (Refer Note No. 12G)

12. SHARE CAPITAL

A. Equity Share Capital

	As at March 31, 2023		As at March 31, 2022	
	Nos. of Shares	Amount (₹/Lakhs)	Nos. of Shares	Amount (₹/Lakhs)
Authorised				
Equity Shares of ₹2/- each	100000000	20000.00	650000000	13000.00
Issued and Subscribed				
Equity Shares of ₹2/- each	511168708	10223.37	477826203	9556.53
Paid up				
Equity Shares of ₹2/- each	511168708	10222.71	477826203	9555.86


Reconciliation of the numbers and amount of Equity shares -

For the year ended	As at March 31, 2023		As at March 31, 2022	
	Nos. of Shares	Amount (₹/Lakhs)	Nos. of Shares	Amount (₹/Lakhs)
Outstanding at beginning of the year	477826203	9555.86	449826203	8995.86
Add : Shares issued during the year	33342505	666.85	28000000	560.00
Less : Shares bought back during the year	-	-	-	-
Outstanding at the end of year	511168708	10222.71	477826203	9555.86

Shares held by promoters at the end of the year

S. No.	Name of the promoter	No. of shares held	% of shareholding
1	KANTA SURI	1510	0.00
2	RAJAS SURI (KB SURI SONS HUF)	972830	0.19
3	SANJAY SURI (SANJAY SURI SONS HUF)	2100000	0.41
4	PRADUMAN LAL SURI HUF	2990	0.00
5	SUSHIL SURI (SUSHIL SURI SONS HUF)	1201560	0.24
6	ANUBHAV SURI (ARUN SURI SONS HUF)	1500000	0.29
7	MAMTA SURI	3004000	0.59
8	SONIA SURI	3679718	0.72
9	SANJAY SURI	3417240	0.67
10	P.L. SURI	400000	0.08
11	ANJU SURI	5186369	1.01
12	SUSHIL SURI	5501510	1.08
13	SUNITA SURI	3192240	0.62
14	SHALU SURI	2052250	0.40
15	VARUN SURI	3052357	0.60
16	ANUBHAV SURI	782134	0.15
17	SARA SURI	705000	0.14
18	GULFY SURI	1150000	0.22
19	AANCHAL SURI	685922	0.13
20	RAJAS SURI	155000	0.03
21	MASTER ARJUN SURI	697060	0.14
22	KANAK SURI	997060	0.20
23	AANANDI SURI	750000	0.15
24	AAKRITI SURI	55000	0.01

25	BROOK INVESTMENTS AND FINANCIAL SERVICES PRIVATE LIMITED	15159252	2.97
26	CONCEPT CREDITS AND CONSULTANTS PRIVATE LIMITED	15347724	3.00
27	EPITOME HOLDINGS PRIVATE LIMITED	14500820	2.84
28	LIQUID HOLDINGS PRIVATE LIMITED	5003000	0.98
29	MID MED FINANCIAL SERVICES AND INVESTMENTS PRIVATE LIMITED	14973813	2.93
30	REACT INVESTMENTS AND FINANCIAL SERVICES PRIVATE LIMITED	14942134	2.92
31	SOLITARY INVESTMENTS AND FINANCIAL SERVICES PRIVATE LIMITED	15114045	2.96
32	SQUARE INVESTMENTS AND FINANCIAL SERVICES PRIVATE LIMITED	14102075	2.76
33	SOLACE INVESTMENTS AND FINANCIAL SERVICES PRIVATE LIMITED	15082790	2.95
34	SEED SECURITIES AND SERVICES PRIVATE LIMITED	14328780	2.80
35	SCOPE CREDITS AND FINANCIAL SERVICES PRIVATE LIMITED	15575405	3.05
	TOTAL	195371588	38.22

During the year, 3510 equity shares held by Late Arun Suri (promoter group), were transmitted to his spouse Mrs. Sunita Suri (promoter group). The shareholding of promoter group has changed from 38.38% to 38.22% on account of conversion of 1,20,00,000 no. of fully convertible warrants into equity shares and 2,13,09,505 no. of equity shares issued to banks/financial institutions and other pursuant to conversion of preference shares held by them, into equity shares during the current year.

B. Shareholders holding more than 5% shares -
Equity Shares

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Pinfold Overseas Ltd.	38530000	7.54%	38530000	8.57

C. Rights, preferences and restrictions attached to each class of Shares and terms of redemption -

- The equity shares of the company are 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 his voting rights on any poll shall be in proportion to his 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 as per preference prescribed under the Act. The distribution will be in the proportion of the number of equity shares held by each shareholder.

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.

E. Disclosure about unpaid calls -

	(₹in Lakhs)	
Unpaid Calls	31.03.2023	31.03.2022
By Directors & Officers	-	-
By Others	0.66	0.66

F. No shares have been forfeited by the company during the year.

G. In terms of Hon'ble National Company Law Tribunal ('NCLT') order dated 12.03.2018, the company sent notices to all the eligible FD holders seeking, their bank account details and identification particulars, for transfer of Fixed Deposit (FD) dues in their respective bank accounts. In all 4953 no. of fixed deposit holders submitted their



identification and bank account particulars and surrendered a total of 50,38,983 Equity Shares for cancellation, with the company. All these FD holders who provided their bank account details, identification particulars and other relevant details, were paid their entire FD dues as per Hon'ble NCLT order dated 12.03.2018. The necessary information in this regard to payment of FD dues were duly submitted to the jurisdictional Registrar of Companies.

The company has approached BSE Limited (BSE) and National Stock Exchange of India (NSE) for cancellation of aforesaid shares, for which pay-out has been made by the company, in compliance with Hon'ble NCLT's order dated 12.03.2018. As soon as the Stock Exchanges give their go ahead for cancellation of said shares from total listed capital, the resultant reduction of share capital will be updated with the jurisdictional Registrar of Companies. Necessary accounting entries for the cancellation of equity capital and reversal of reserves and surplus for ₹100.78 Lakhs and ₹469.63 Lakhs respectively, will be given effect on the receipt of guidance from stock exchanges and depositories. The total sum of ₹570.41 Lakhs, comprising of debit balance of share capital and reserves & surplus, is appearing under head - other current assets. Aforesaid entries has insignificant impact on EPS and current assets.

(₹ in Lakhs)

As at 31.03.2023 As at 31.03.2022

13. MINORITY INTEREST

Share Capital	46.66	46.66
Share in Profit/(Loss)	(92.70)	(92.73)
	<u>(46.04)</u>	<u>(46.07)</u>

14. BORROWINGS

Long Term

	Current Portion		Non Current Portion	
	As at 31.03.23	As at 31.03.22	As at 31.03.23	As at 31.03.22
Secured				
Term Loans - Vehicles	105.11	111.63	93.35	132.11
	<u>105.11</u>	<u>111.63</u>	<u>93.35</u>	<u>132.11</u>

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				
		2023-24	2024-25	2025-26	2026-27	2027-28
Annual Repayment Amount (₹/Lakhs)	105.11	67.91	14.99	3.35	3.32	3.78
Annual Rate of Interest (%)	6.85%-8.50%	6.85%-8.50%	6.85%-8.50%	6.85%-8.50%	6.85%-8.50%	6.85%-8.50%

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)*	2317.95	1613.16
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*Annual rate of interest chargeable on aforesaid facilities ranges up to 8.5% .

Current maturities of Long Term Borrowings	105.11	111.63
Total	<u>2423.06</u>	<u>1724.79</u>

(₹ in Lakhs)

As at 31.03.2023 As at 31.03.2022

15. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Security Deposits from Business Associates & Others	352.02	344.71
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16. PROVISIONS

	Current Portion		Non Current Portion	
	As at 31.03.23	As at 31.03.22	As at 31.03.23	As at 31.03.22
Gratuity	540.20	306.98	2256.63	2086.93
Leave Encashment	207.74	150.68	717.83	737.52
Income Tax (Net of Tax payments)	649.73	509.22	-	-
Others	226.44	256.80	-	-
	<u>1624.11</u>	<u>1223.68</u>	<u>2974.46</u>	<u>2824.45</u>

17. TRADE PAYABLES

Total outstanding dues of micro small and medium enterprises	255.12	62.19
Total outstanding dues of creditors other than micro small and medium enterprises	22432.81	25749.37
	<u>22687.93</u>	<u>25811.56</u>

Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

Ageing of Trade Payables (2022-23)	1 year	1-2 years	2-3 years	3 years or more	Total
(i) MSME	255.12	-	-	-	255.12
(ii) Others	22152.22	111.76	54.80	114.03	22432.81
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total Payables	22407.34	111.76	54.80	114.03	22687.93

Ageing of Trade Payables (2021-22)	1 year	1-2 years	2-3 years	3 years or more	Total
(i) MSME	62.19	-	-	-	62.19
(ii) Others	25425.88	142.13	55.28	126.07	25749.37
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total Payables	25488.07	142.13	55.28	126.07	25811.56



(₹ in Lakhs)

	As at 31.03.2023	As at 31.03.2022
18. OTHER FINANCIAL LIABILITIES -CURRENT		
Preference Shares	-	11465.20
Accrued salaries and benefits	1738.08	1615.50
Others	3274.56	2678.16
	<u>5012.64</u>	<u>15758.86</u>

A. Preference Share Capital

Redemption of Preference Shares

Redemption of Preference Shares

During the year, entire 0.01% 1,14,65,201 no. of Preference Shares of ₹100/- each, being considered as part of financial liability as per relevant Ind AS and the accrued dividend thereon forming part of finance cost till March 2022, was converted into 0.01% Compulsorily Convertible Preference Shares ('CCPS') of ₹100/- each, followed by conversion thereof into 2,13,42,505 no. of equity shares of ₹2/- each, at a conversion price of ₹53.72/- per share, a price derived as per SEBI (ICDR) Regulations, 2018, as amended. The listing and trading approvals in respect of Equity Shares so issued, was also obtained during the year.

Upon conversion of preference shares into the equity shares, the liability of the company in the form of preference shares dues outstanding towards Banks/ FIs and others, has been extinguished and corresponding increase in, paid-up equity share capital and reserves of the company has been taken place during the year.

	As at March 31, 2023		As at March 31, 2022	
	Nos. of Shares	Amount (₹/Lakhs)	Nos. of Shares	Amount (₹/Lakhs)
Authorised				
Preference Shares of ₹100/- each	5000000	5000.00	12000000	12000.00
Issued, Subscribed & paid up				
Preference Shares of ₹100/- each	-	-	11465201	11465.20
0.01% Optionally Convertible	-	-	9735201	9735.20
0.01% Cumulative Redeemable-	-	-	1730000	1730.00
	-	-	11465201	11465.20

Reconciliation of the numbers and amount of Preference shares

	As at March 31, 2023		As at March 31, 2022	
	Nos.	Amount (₹/Lakhs)	Nos.	Amount (₹/Lakhs)
Outstanding at beginning of the year	11465201	11465.20	11965201	11965.20
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back during the year	11465201	11465.20	500000	500.00
Outstanding at the end of year	-	-	11465201	11465.20

B. Shareholders holding more than 5% shares -

a) 97,35,201, 0.01% Optionally Convertible Redeemable Shares -

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Bank of Nova Scotia	-	-	1179000	12.11
Stressed Assets Stabilisation Fund (SASF)	-	-	961044	9.87
EXIM Bank Ltd.	-	-	916333	9.41
SICOM Ltd.	-	-	829463	8.52
Punjab National Bank	-	-	671522	6.90
Oriental Bank of Commerce	-	-	623828	6.41
Dena Bank	-	-	593936	6.10
UCO Bank	-	-	515900	5.30

b) 17,30,000, 0.01% Cumulative Redeemable Shares -

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Oriental Bank of Commerce	-	-	1000000	57.80
Axis Bank Ltd.	-	-	500000	28.90
Blue Sky Securities Pvt. Ltd.	-	-	200000	11.56

(₹ in Lakhs)

	As at 31.03.2023	As at 31.03.2022
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19. OTHER CURRENT LIABILITIES

Advance Received from Customers	146.17	562.48
Direct Taxes	146.24	505.92
Indirect Taxes	18.34	0.53
Others	57.82	57.86
	<u>368.57</u>	<u>1126.79</u>

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)	81.75	120.58
Guarantees	416.72	10.36
Other money for which company is contingently liable	167.89	133.12
	<u>666.36</u>	<u>264.06</u>

b) Other commitments

Capital commitments	517.73	1733.60
	<u>1184.09</u>	<u>1997.66</u>



	(₹ in Lakhs)	
	Year Ended 31.03.2023	Year Ended 31.03.2022
21. REVENUE FROM OPERATIONS		
<u>Sale of Products</u>		
Domestic	84994.76	98269.56
Exports	56400.72	55886.94
	<u>141395.48</u>	<u>154156.51</u>
<u>Other Operating Revenues</u>		
Export Incentives	314.15	289.15
Others	43.36	237.03
	<u>357.52</u>	<u>526.18</u>
	<u>141753.00</u>	<u>154682.69</u>
22. OTHER INCOME		
Interest Income	165.74	132.98
Others	447.60	897.74
	<u>613.34</u>	<u>1030.72</u>
23. COST OF MATERIALS CONSUMED		
Raw Materials	72588.90	72816.69
Packing Materials	5552.02	6896.27
	<u>78140.92</u>	<u>79712.96</u>
24. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	14086.88	15103.96
Contribution to provident fund/ ESI	430.53	443.96
Gratuity and Leave Encashment Expenses	518.68	503.72
Staff Welfare	431.97	373.01
	<u>15468.05</u>	<u>16424.65</u>
25. FINANCE COST		
Interest expense*	198.08	242.61
Dividends on Cumulative Preference Shares	-	(979.16)
*Includes ₹54.58 Lakhs (Previous year ₹138.92 Lakhs) towards interest on delay in deposit of Advance Tax	<u>198.08</u>	<u>(736.55)</u>
26. OTHER EXPENSES		
Consumption of Stores and spare parts	1462.84	1161.71
Power and Fuel	2377.70	1892.92
Rent	1074.01	818.23
Repairs to buildings	232.22	177.33
Repairs to machinery	547.07	522.55
General Repairs	1142.84	477.58
Insurance	141.84	155.51
Research & Development	306.89	300.82
Quality Control & Testing Charges	1068.61	840.33
Rates and taxes excluding taxes on income	227.33	172.39
Legal and Professional Expenses	1274.38	1262.99
Travelling Expenses	1683.20	1351.54

	(₹ in Lakhs)	
	As at 31.03.2023	As at 31.03.2022
Selling and Distribution Expenses	6617.30	5357.99
Miscellaneous Expenses	4600.98	5166.90
	<u>22757.20</u>	<u>19658.79</u>

27. PRIOR PERIOD ITEMS

Expenses include ₹108.00 Lakhs (Previous Year ₹56.08 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-

Geographical Segment	Sales Revenues (₹/Lakhs)	
	2022-23	2021-22
USA	8793.75	10065.39
Rest of World	47606.97	45821.55
India	84994.76	98269.56
Total	<u>141395.48</u>	<u>154156.51</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 Mr. Ajay Kumar Sharma, Chief Financial Officer Mr. Vipul Kumar Srivastava, Company Secretary</p> <p>Dr. Morepen Limited Mr. Varun Suri, MD Mr. Ajay Kr. Sharma, Director & Chief Financial Officer Mr. Akshay Mehta, Company Secretary</p>
2. Relatives of Key Management personnnels with whom the company has any transaction during the year	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. 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 - Domestic Company Domestic Company Domestic Company	Mid-Med Financial Services & Investments Pvt. Ltd. React Investments & Financial Services Pvt. Ltd. Liquid Holdings Private Limited
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 Blueheaven Marketing Pvt. Ltd. Groom Town Pvt. Ltd. Happier Life Pvt. Ltd. Vignet Trading Pvt. Ltd. Morepen Overseas Ltd.

Transactions with related parties -

Particulars	Nature of transaction	(₹ in Lakhs)
1. 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 balance 75% share warrant subscription money	2250.00
	Trade Advances	213.84
	Amount payable as on 31.03.23	Nil
	Maximum amount outstanding	213.84
2. Key Management Personnel	Remunertion	818.08
	Amount payable as on 31.03.23	150.46
	Maximum amount outstanding	183.29
3. 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	51.88
	Trade Advances	585.00
	Amount payable as on 31.03.23	7.79
	Maximum amount outstanding	560.45
4. Relatives of key Management personnnels with whom the company has any transaction during the year	Remuneration	697.09
	Amount payable as on 31.03.23	195.21
	Maximum amount outstanding	255.69

Remuneration paid to employees of Morepen Laboratories Ltd. and its KMPs of the subsidiaries, is not included in the above details. The above details also do not include retail purchases from the company made by related parties.

30. EARNING PER SHARE (EPS)

Particulars	Year Ended	
	31.03.2023	31.03.2022
Profit/ (Loss) after Tax (₹ in Lakh)	3867.52	10168.27
Weighted average number of equity shares outstanding	502206570	449979628
EPS (₹) - (Face value ₹2/- per share)	0.77	2.26
Weighted average number of equity shares used in computing diluted EPS	502206570	519826203
Diluted EPS (₹) - (Face value of ₹2/- per share)	0.77	1.96

31. IMPAIRMENT

It is the view of management that there are no impairment conditions that exist as on 31st March, 2023. Hence, no provision is required in the accounts for the year under review.

32. INCOME TAXES

A. Current Tax and Deferred Tax Expense

Income taxes recognised in the statement of profit and loss including Other Comprehensive Income (OCI)-

For the year ended	(₹/ Lakhs)	
	31.03.2023	31.03.2022
Current tax	1629.19	2519.60
Earlier Years taxes	5.86	(274.62)
Deferred tax expense	20.34	248.26
Total income tax expenses	1655.39	2493.24
B. Deferred Tax Assets (Net)		
Deferred Tax Liabilities	1225.59	1166.67
Deferred Tax Assets	956.99	918.41
Deferred tax Liabilities/(Assets) (Net)	268.60	248.26

Major Components of Deferred Tax Assets (Net) arising on account of temporary difference and movements thereof are given below -

Deferred Tax Assets -

Provisions deductible for tax purposes in future periods
Retirement benefits & Leave Encashment

	173.38	538.17
	3629.02	3110.96
Total	3802.40	3649.13



	(₹ in Lakhs)	
	As at 31.03.2023	As at 31.03.2022
Tax Rate	25.168%	25.168%
Tax Amount	956.99	918.41
Deferred tax Liabilities -		
PP&E depreciation and intangible Amortiation	4869.61	4635.52
Total	4869.61	4635.52
Tax Rate	25.168%	25.168%
Tax Amount	1225.59	1166.67

Note : Deferred Tax asset of ₹132.72 (Previous year ₹80.99 lakhs) 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.
- During the year, a newly wholly owned subsidiary namely Morepen Rx Limited was incorporated during the year.
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- ₹625.00 Lakhs have been received by Dr. Morepen Limited from promoter group entities towards allotment of share warrants entitling 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, along with a request to extend Warrant Exercise Period for a further period of 1 year. Based on the request received, Dr. Morepen Limited has further extended the Warrant exercise period up-to 6th March 2024 by passing of 'Special Resolution' on 7th March 2023. Accordingly, pursuant to exercise of option, i.e. upon payment of the balance amount of Warrants issue price (i.e. ₹1990.96 Lakhs) on or before 6th March 2024, the said Warrants will be converted into Equity Shares of the company. 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.

34. Corporate Social Responsibility (CSR)

- During the financial year ended March 31, 2023, CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof was ₹189.57 Lakh (Previous year ₹114.97 Lakh).
- During the year the Company has made an expenditure of ₹190.26 Lakh (Previous year ₹119.81 Lakh) related to CSR.
- Details of CSR expenditure incurred during the year ended March 31, 2023 is as below :-

	(₹/ Lakhs)	
	31.03.2023	31.03.2022
CSR activity		
- Promotion of Healthcare	48.63	40.54
- Social Infrastructure	98.57	66.37
- Education	29.24	9.18
- Sports	13.82	3.72
Total	190.26	119.81

35. Ratios

	As at 31.03.2023	As at 31.03.2022
Current Ratio	2.35	2.15
- Numerator - Current Assets	75616.47	73430.11
- Denominator - Current Liabilities		
CURRENT LIABILITIES	32116.31	45645.69
Less : Pref. Capital	-	11465.20
	<u>32116.31</u>	<u>34180.49</u>
Debt-Equity ratio	0.03	0.03
- Numerator - Debt	2516.41	1856.90
- Denominator		
Equity	10222.71	9555.86
Reserves & Surplus	65748.79	57673.12
Warrants	-	2625.00
OCI	(680.69)	(532.66)
Total Equity	<u>75290.81</u>	<u>69321.32</u>
Debt Service Coverage ratio	315.59%	700.07%
- Numerator - EBITDA	8566.65	14697.96
- Denominator		
Interest on loans	198.08	242.61
Principal loans	2516.41	1856.90
Total Loan liability	<u>2714.49</u>	<u>2099.51</u>
Return on Equity ratio	5.14%	14.67%
- Numerator - PAT	3867.52	10168.27
- Denominator		
Equity	10222.71	9555.86
Reserves & Surplus	65748.79	57673.12
Warrants	-	2625.00
OCI	(680.69)	(532.66)
Total Equity	<u>75290.81</u>	<u>69321.32</u>
Inventory turnover ratio	3.79	4.65
- Numerator - Cost of Goods Sold	95574.44	104932.02
- Denominator - Average Inventory	25237.02	22558.99
Trade receivables turnover ratio (days)	66	51
- Numerator - Revenue	142366.34	155713.41
- Denominator - Average Debtors	25694.51	21631.37
Trade payables turnover ratio (days)	93	81
- Numerator - COGS	95574.44	104932.02
- Denominator - Average Creditors	24249.74	23348.22
Net capital turnover ratio	1.89	2.25
- Numerator - Revenue	142366.34	155713.41
- Denominator		
Equity	10222.71	9555.86
Preference Capital	-	11465.20
Reserves & Surplus	65748.79	46207.92
Warrants	-	2625.00
OCI	(680.69)	(532.66)
Total Equity	<u>75290.81</u>	<u>69321.32</u>
Net profit ratio	2.72%	6.53%
- Numerator - PAT	3867.52	10168.27
- Denominator - Revenue	142366.34	155713.41
Return on Capital employed	5.15%	12.95%
- Numerator - (PAT+Interest)	4065.60	9431.72
- Denominator		
Shareholder's wealth	75290.81	69321.32
Non current borrowings	93.35	132.11
Non Current Liabilities	3549.04	3371.35
Total capital employed	<u>78933.21</u>	<u>72824.78</u>
Return on investment	3.48%	9.50%
- Numerator - PAT	3867.52	10168.27
- Denominator - Total Assets	111049.51	107005.27

Note : For computation of above ratios the preference capital of ₹Nil (Previous year ₹11465.20 Lakhs) was considered as part of Equity as the preference shareholders had given their assent for conversion of preference capital into Equity Capital. Now converted to Equity in current FY.



The USFDA approved Plant at Masulkhana