

MOREPEN

Date: **20/08/2019**

To,

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051
Tel No: (022) 26598100-8114
Fax No: (022) 26598120
Symbol: MOREPENLAB

Subject: Notice of the 34th Annual General Meeting ('AGM') and Book Closure

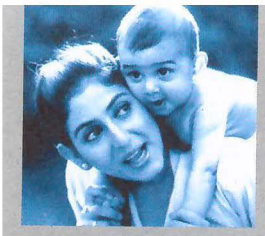
Dear Sir,

Pursuant to Regulation 30 read with Part A of Schedule III and Regulation 34(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find enclosed Annual Report of the Morepen Laboratories Limited (the 'Company') for the financial year 2018-19 along with the Notice of the **34th Annual General Meeting** scheduled to be held on **Friday, September 13, 2019 at 10.00 A.M. (I.S.T.)** at the registered office of the Company at Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh – 173 205.

In this regard, the Company has provided facility to exercise voting rights on all business proposed at the AGM by electronic means by using remote e-voting facility provided by National Securities Depositories Ltd (NSDL). The remote e-voting period shall commence **from Monday, September 09, 2019 at 9.00 a.m. and will end on Thursday, September 12, 2019 at 5.00 p.m.**, and the shareholders of the Company as at the cut-off date *i.e.*, **Friday, September 06, 2019 (end of day)** shall be eligible to vote using the remote e-voting facility.

Further, pursuant to the provisions of Section 91 of Companies Act, 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Register of Members and Register of Share Transfer of the Company will

Morepen Laboratories Limited
Corp. Off.: 4th Floor,Antriksh Bhawan, 22 K.G.Marg, New Delhi- 110 001, INDIA
Tel.:+91-11-23324443,23712025, E-mail: corporate@morepen.com,Website:www.morepen.com
CIN NO. L24231 HP1984PLC006028
Plant & Regd. Off.: Morepen Village, Malkumajra, Nalagarh Road, Baddi, Distt. Solan (H.P.) -173205
Tel.: +91-1795-266401-03, 244590, Fax: +91-1795-244591, E-mail: plants@morepen.com



MOREPEN

be closed **from Saturday, September 07, 2019 to Friday, September 13, 2019 (both days inclusive)** for the purpose of AGM.

Kindly take note of the same.

Thanking you.

Yours faithfully,

For Morepen Laboratories Limited

(Vipul Kumar Srivastava)
Company Secretary
Membership no. A26231

Encl.: ***As Above***

Morepen Laboratories Limited
Corp. Off.: 4th Floor,Antriksh Bhawan, 22 K.G.Marg, New Delhi- 110 001, INDIA
Tel.:+91-11-23324443,23712025, E-mail: corporate@morepen.com,Website:www.morepen.com
CIN NO. L24231 HP1984PLC006028
Plant & Regd. Off.: Morepen Village, Malkumajra, Nalagarh Road, Baddi, Distt. Solan (H.P.) -173205
Tel.: +91-1795-266401-03, 244590, Fax: +91-1795-244591, E-mail: plants@morepen.com

We care to



MOREPEN
The Joy Of Growing Together



We care to care

Picture a mother doing what she loves doing the most.

From cradling a new born, cooking up favourites, wiping away tears, bringing back smiles, healing what hurts to making a house a home … it's easy to imagine her doing all this and more.

As a woman, she is multi-dimensional. But as a mother, her commitment to motherhood and her ability to care as a parent remain paramount.

At Morepen, we passionately strive to live up to the fact that ***We Care to Care****. In a world of radical choices, our paradigms of wellbeing and welfare thus encompass Care as demonstrated by a mother, a belief aptly showcased by our logo.*

We believe that by extending the dimensions of care to responsibly embrace various dynamics of existence – from individual to environment, we can make a meaningful difference and make the world a better place.

More than anything else, we are grateful for an incredible destiny that drives us to explore challenges, choices and horizons of healthcare so everyone can enjoy a life without limitations.

CORPORATE INFORMATION

Chairman & Managing Director
Mr. Sushil Suri

Whole-time Director
Dr. Arun Kumar Sinha

Independent Directors
Mr. Manoj Joshi
Mr. Bhupender Raj Wadhwa
Mr. Sukhcharan Singh

Non-Executive Director
Mrs. Anju Suri

Chief Financial Officer
Mr. Ajay Sharma

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

Statutory Auditors
M/s. Satinder Goyal & Co.
Chartered Accountants

Cost Auditors
M/s. Vijender Sharma & Co.
Cost Accountants

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

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

Company Secretary
Mr. Vipul Kumar Srivastava

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

Contents

Directors' Report	1
Annexures to the Director's Report *(Including Corporate Governance Report)*	10
Independent Auditors' Report	51
Balance Sheet	57
Statement of Profit and Loss	58
Cash Flow Statement	59
Statement of changes in Equity	60
Company Overview and Significant Accounting Policies	61
Notes on Financial Statements	67
Independent Auditors' Report on Consolidated Financial Statements	81
Consolidated Balance Sheet	87
Consolidated Statement of Profit and Loss	88
Consolidated Cash Flow Statement	89
Consolidated Statement of changes in Equity	90
Company Overview and Significant Accounting Policies	91
Notes on Consolidated Financial Statements	97
Notice of AGM	110
Route Map of AGM Venue	127
Proxy Form	128
E-communication Registration Form	130

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 34th Annual Report on business, operations and achievements of the Company together with the audited financial statements for the financial year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS (₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	**2018-19**	2017-18
Sales	**70,597.21**	55,294.67	**75,621.44**	59,775.29
Other Operating Income	**1,127.08**	788.37	**1,232.40**	875.62
Other Income	**367.18**	354.01	**367.18**	372.27
Total Income	**72,091.47**	56,437.05	**77,221.02**	61,023.18
Operating Surplus	**6,869.22**	6,380.93	**7,118.96**	6,845.02
Finance cost	**207.08**	429.46	**211.00**	435.73
Cash Surplus	**6,662.14**	5,951.47	**6,907.96**	6,409.29
Non-Cash Items:				
Depreciation & Amortisation	**3,800.78**	3,339.95	**3,990.29**	3,432.20
Profit before Tax	**2,861.36**	2,611.52	**2,917.67**	2,977.09
Tax	**(212.70)**	–	**(246.33)**	–
Tax credit entitlement	**212.70**	–	**212.70**	–
Profit before non-controlling interest	**2,861.36**	2,611.52	**2,884.04**	2,977.09
Less : Non - controlling interest	**–**	–	**(0.89)**	17.95
Profit after non-controlling interest	**2,861.36**	2,611.52	**2,884.93**	2,959.14
Other Comprehensive Income	**(171.82)**	10.95	**(169.81)**	8.87
Total Comprehensive Income	**2,689.54**	2,622.47	**2,715.12**	2,968.01
EPS (Basic/Diluted)	**0.64**	0.58	**0.64**	0.66

REVIEW OF PERFORMANCE

A significant topline growth of 22.43% has been recorded in Active Pharmaceutical Ingredients (API) business of the company. The Company has been able to sustain its growth momentum despite the fact that supplies of inputs particularly imported raw materials has been quite patchy during the current year. It also led to stress in margins in API business even though a part of increased costs were passed on to the customers. The Company continues to invest in new processes, capacities and systems with a view to remain competitive in its area of operations. Both domestic and exports markets have registered attractive growth.

The Formulation business with its current year sales revenues of ₹153.17 Crores has posted a growth of 39% over previous year sales revenues. The Home Diagnostics business has been consistent in its annual growth trajectory with current year revenues scoring growth of 35% over previous year revenues. With 11% growth in OTC (over the counter) topline, the Company has recorded its highest ever sales revenues in each of its aforementioned businesses. On overall basis, total annual revenues are at ₹77,221.02 Lakhs against ₹61,023.18 Lakhs recorded during the previous financial year, a growth of 26.54%.

Financial Performance:

Sales

Current year consolidated sales revenues at ₹75,621.44 Lakhs have recorded an incredible growth of 26.50% against previous year revenues of ₹59,775.29 Lakhs. Current year total revenues of ₹77,221.02 Lakhs are up by 26.54 % over previous year revenues. Export business has contributed around 41% of the consolidated sales revenues of the Company and registered a growth of 32% during the year.

On standalone basis, the Company registered sales revenues

of ₹70,597.21 Lakhs as compared to ₹55,294.67 Lakhs during previous financial year, a growth of 27.67%.

Material Cost

Consolidated material cost, as a percentage of sales, has gone up to 65.65% as compared to 61.66% in the previous year, primarily because of hardening of raw material prices. Current year sales realizations have been better as part of the increased input costs have been passed on to the customers to maintain the margins.

Employee Cost

During the year under review, the employee strength of the Company has increased by around 11%. The current year's consolidated employee cost is 12.61% of the sales revenue against 12.80% in the preceding year. The overall increase in employee cost for the current year is both on account of annual merit based increase as well as on account of increased manpower.

Other Expenses

Consolidated expenditure on manufacturing, sales & marketing and administrative activities has come down to 14.43% of sales revenues, against 16.17% recorded in the previous year. Despite recording tremendous growth in sales revenues, the Company has been able to keep in check on it's spend on various administrative and sales & marketing activities.

Finance Cost & Depreciation

Consolidated annual finance cost at ₹211.00 Lakhs has come down by around 52% against previous year cost of ₹435.73 Lakhs. Depreciation & Amortisation cost for the year has been at ₹3,990.29 Lakhs against ₹3,432.20 Lakhs of previous year, an increase of 16.26%, mainly on account of increased amount of amortisation for the year and additional depreciation charge on assets discarded during the year.

Other Operating Income & Other Income

Consolidated other operating income represents export incentives, income from foreign operations & others. Current year export incentives are at ₹1,093.59 Lakhs against ₹777.32 Lakhs of last year. Others are up by 38.78% at ₹138.81 Lakhs during the current year as against ₹98.30 Lakhs in the previous year.

Consolidated other income representing currency fluctuations and interest income at ₹367.18 Lakhs, is marginally down from previous year of ₹372.27 Lakhs.

Profit after Tax

Consolidated Profit before interest, depreciation and tax is higher at ₹7,118.96 Lakhs as against ₹6,845.02 Lakhs in the previous year. Net profit after tax but before share of profit from non-controlling interest is at ₹2,884.04 Lakhs against ₹2,959.14 Lakhs in last financial year. Consolidated net profit, exclusive of minority share, is at ₹2,884.93 Lakhs, marginally down by 2.5% over previous years' profit. Total Comprehensive Income for the year is ₹2,715.12 Lakhs vis-a-vis ₹2,968.01 Lakhs of previous year.

On standalone basis, the Company has registered Net profits of ₹2,861.36 Lakhs as against ₹2,611.52 Lakhs during previous financial year. Total Comprehensive Income for the year stood at ₹2,689.54 Lakhs vis-a-vis ₹2,622.47 Lakhs of previous year.

Division wise Business Performance:

Active Pharmaceutical Ingredients (API)

API business with its current year annual sales revenues of ₹41,304.70 Lakhs is up by 22.43% against preceding year revenues of ₹33,738.91 Lakhs. There has been huge growth in exports business of the Company at around 32% and domestic business marginally grew by 1% in its annual revenues. The price realisation has been better during the year as compared to last financial year. However, volume growth has not kept pace with last year growth levels. Loratadine, Montelukast and Atorvastatin recorded excellent growth in their annual revenues at 28%, 33% and 25% respectively.

Finished API's with current year annual revenues of ₹35,809.40 Lakhs has recorded a growth of 19% during the year. The sales revenues for new molecules have increased by 15% at ₹2,965.18 Lakhs. Intermediates with their annual sales revenues of ₹2,530.12 Lakhs have recorded revenue growth of 33%.

With annual sales revenue of ₹14,344.51 Lakhs, Loratadine continues to be leading revenue generator for the API business closely followed by Montelukast with sales revenue of ₹12,075.43 Lakhs recorded during the current year. Atorvastatin with its annual revenues of ₹7,201.25 Lakhs registered a growth of 25% during the current year. Rosuvastatin sales revenues, for the year under review, are at ₹3,038.00 Lakhs against ₹2,885.91 Lakhs of preceding year. Fexofenadine sales revenue for the current year is down at ₹1,680.33 Lakhs against ₹2,196.67 Lakhs of last year.

API business has recorded a compounded annual growth rate (CAGR) of 17.59% during last 5 years.

Home Diagnostics

The Home Diagnostics portfolio has recorded steadfast growth over last many years and has recorded a compounded annual growth rate (CAGR) of around 29% during last 5 years. Blood Gluco Monitoring business with current year revenues of ₹9,284.67 Lakhs, has registered a CAGR of 41% during last 5 years. Gluco monitors installations during the current year have been 25% more than the previous year and expected to cross 3 million very

soon. The glucose testing strips have registered a staggering growth of 52% during the current year.

Blood Pressure Monitors with current year Sales revenues of ₹2,649.77 Lakhs has posted handsome growth of 22% over the previous year. It has recorded a CAGR of 35% during last 5 years.

Nebulisers with current year sales revenue of ₹872.49 Lakhs also recorded a robust growth of around 49% in this fiscal, whereas Thermometers with current year sales revenue of ₹564.95 Lakhs has gone up by 21%.

In line with its commitment of delivering good health at home at affordable prices, the Company has also started in house manufacture of Blood Glucose Strips in May 2018 along with Blood Glucose Monitors. The Company has become self-reliant in the production of Glucometers. It has manufactured 8 Lakh Blood Glucose Monitors in the current year. This makes Morepen one of the largest Manufacturer of Blood Glucose Monitors in India and the SAARC region. The company has started adopting state of the art robotic technology in its production process of medical devices to improve quality and efficiency. Glucometer production has replaced import of around US$ 1.2 Million during the current year. The Company has plans to start production of Nebulizer & Thermometers in the near future. Home Diagnostics business has remarkable growth every year & will be achieving many more milestones in coming years.

The Company has also invested heavily in Glucometers placement in the market to expand the customer base by supplying these free or at the subsidized cost. The investment has helped the Company to expand its customer base for the glucose strips and is also expected to pay off in the coming years.

Finished Formulations

The current year sales revenue for the Finished Dosages at ₹15,317.43 Lakhs is up by 39% over previous year revenues of ₹11,045.84 Lakhs. It has been growing steadily over the years with last 5 years' CAGR of 15%. The Branded Prescription (Rx) products with annual sales revenues of ₹3,425.86 Lakhs have recorded massive growth of 33% during the period under review. Branded generics business has also recorded glittering performance during the year and has added ₹11,891.57 Lakhs to the company's topline against ₹8,473.98 Lakhs added last year. The top three therapeutic categories namely Antibiotics, Gastroenteritis and Vitamins contributed ₹2,588.83 Lakhs to the topline of branded formulation business, against ₹1,926.49 Lakhs added last year.

DIVIDEND

For the year under review, the Directors do not recommend any dividend due to absence of distributable surplus.

RESERVES

Standalone net profit after tax of ₹2,861.36 Lakhs is carried forward to the Retained Earning. During the year under review, no amount was transferred to the General Reserve.

DEPOSITS

Your Company has not accepted any deposits from the public, during the year under review, within the meaning of Section 73 of the Companies Act, 2013 ('the Act') read with the Companies (Acceptance of Deposits) Rules, 2014, and no amount of principal or interest on deposits from the public was outstanding as on the date of Balance Sheet.

During the financial year ended 31st March, 2010, the Company had allotted 9,24,90,413 Equity Shares to the fixed deposit holders in settlement of their dues pursuant to the Scheme of Arrangement & Compromise under Section 391 of the Companies Act, 1956, approved by the Hon'ble High Court of Himanchal Pradesh, Shimla vide its order dated 4th August, 2009. In an appeal preferred by the Central Government before Division Bench of Hon'ble High Court of Himachal Pradesh at Shimla, the Division Bench vide its order dated 14th September, 2010 set aside the order of the Hon'ble Single Judge dated 4th August, 2009 and remanded the case back to the Hon'ble Single Judge to decide the petition afresh after hearing all the parties and considering the representation of the Central Government.

On the constitution of National Company Law Tribunal (NCLT), this petition under Section 391 of the Companies Act, 1956, was later transferred to the Chandigarh Bench of NCLT. The Hon'ble NCLT, Chandigarh, on 12th March, 2018, dismissed the Company's petition seeking approval of the Scheme of arrangement with the Fixed Deposit holders. The Hon'ble NCLT directed the Company to cancel the shares issued, under the aforesaid scheme, which have not yet been transferred by original allottees (FD holders) and payment of dues, as per Company Law Board order within 3 months from the date of receipt of the certified copy of the judgment.

Aggrieved by the aforesaid judgement of Hon'ble NCLT, the Company had filed an appeal before the Hon'ble NCLAT, New Delhi, praying, inter-alia, for setting aside of the order passed by the Hon'ble NCLT, Chandigarh and approve the Scheme of arrangement with Fixed Deposit (FD) holders.

The Hon'ble NCLAT, New Delhi, vide its judgement dated 23rd July, 2019 has upheld the impugned judgement passed by the Hon'ble NCLT, Chandigarh, dated 12th March, 2018.

The company is seeking advice for evaluating remedies available under the law, including filing of appeal in the

higher courts. After evaluating the advice so received, the Company will take such necessary steps as may be required concerning the finality of the order of the Court.

FINANCES

The management is working towards improvement in performance of the Company so as to be able to derive maximum value to its investors. All the business segments are given due attention so that capital is preserved and long term growth can be sustained.

Balance restructured debt, as per Corporate Debt Restructuring Scheme approved in the July 2006 has been paid and cleared in full during the current year, on the terms as approved by lenders of the Company. From now onwards all the internal accruals will be available for all round growth of all business verticals of the Company.

Under the provisions of the Act past accumulated losses restricts the ability of the Company to redeem Preference Shares issued to lenders under the Corporate Debt Restructuring (CDR) Scheme and also to other entities as per CDR terms. As a result, the Company has not been able to redeem these Preference Shares, although they had become due for redemption. The Company in consultation and approval of all the stakeholders will work out a scheme which is in the interest of all the stakeholders.

SHARE CAPITAL

During the year under review, there was no change in the paid-up equity share capital of the Company which as on 31st March, 2019, was ₹ 8,995.86 Lakhs.

The Equity Shares issued by the Company are listed at following Stock Exchanges as on 31st March, 2019:

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

Annual listing fee for the financial year 2019-20 has been paid to both the Stock Exchanges. The Equity Shares continue to be listed on both NSE and BSE.

The provisions of the Act have placed statutory restriction on the Company, having accumulated losses, from payment of dividends on Preference Shares. As a result, dividends on Preference Shares have not been paid for more than two years, thereby making the holders of these shares entitled to vote on all resolutions placed before the Company. The proportion of voting rights of Equity Shareholders to the voting rights of Preference Shareholders shall be in proportion to their paid up capital.

SUBSIDIARIES / JOINT VENTURES / ASSOCIATES

The Company has three subsidiaries as on 31st March, 2019, namely:

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

Dr. Morepen Limited

The consumer business of the Company being promoted under brand 'Dr. Morepen' and carried under wholly owned subsidiary Dr. Morepen Limited, is growing steadily with a CAGR of 12% during last 5 years. On standalone basis the company has recorded a topline of ₹5438.08 Lakhs as against ₹4,890.71 Lakhs recorded in the preceding year, growth of 11%. The management expects to put more focus post completion of debt servicing.

The Company's primary brands like Burnol (Burn Cream), Lemolate (Cough & Cold) and Fiber-X (Sat Isabgol) have registered a modest growth of 2% over last year revenues of ₹1,990.94 Lakhs. Other small distribution and reach based brands with sales revenue of ₹552.32 Lakhs have also recorded huge growth of 73% during the year.

The Company expects to continue its growth in the OTC and Brand Sharing business with the continuous focus on new product addition, entering new markets and increasing product reach and availability.

The Grooming business, launched few years back, has registered growth of 45% in its annual revenues at ₹939.82 Lakhs. The company expects considerable rise in both topline as well bottom line for the business in the years to come.

Total Care Limited

The Company is dealing in OTC & Health Care products. The scale of Company's operations continues to be minimal since past few years with no operating revenue recorded during the year.

Morepen Inc.

Morepen Inc. is the marketing and distribution interface of the Company in USA for its API business, various OTC & other products. During the year under review, the Company recorded a growth of 21% with revenue at ₹105.32 Lakhs ($153409) as against ₹87.25 Lakhs ($134,606) in the previous year. The company has recorded a profit of ₹18.97 Lakhs against loss of ₹31.65 Lakhs in the preceding year.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31st March, 2019 has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 together with the comparative period data as at and for the previous year ended 31st March, 2019.

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 Interest in other entities', the Audited Consolidated Financial Statements is provided in the Annual Report.

In accordance with the provisions of Section 129(3) of the Act, read with the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries is attached as **ANNEXURE 'A'** to this Report in the prescribed form, AOC-1.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Changes in Directors & Key Managerial Personnel

The members at the 33rd Annual General Meeting (AGM) of the Company held on 21st September, 2018 approved the re-appointment of Mr. Sushil Suri, Chairman and Managing Director of the Company, who was liable to retire by rotation pursuant to the provisions of Section 152 and other applicable provisions of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014, as amended or re-enacted from time to time.

The members also approved the re-appointment of Mr. Sushil Suri, Chairman & Managing Director of the Company, who holds office up to 19th October, 2018 and being eligible, has offered himself for re-appointment pursuant to the provisions of Section 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended or re-enacted from time to time as the Chairman & Managing Director of the Company, for another term of 5 years *w.e.f.*, 20th October, 2018.

During the year under review, Mr. Thomas P. Joshua, Company Secretary and Key Managerial Personnel, has been resigned from the said position w.e.f., 24th September, 2018 and Mr. Vipul Kumar Srivastava is appointed by the Board of Directors as Company Secretary and Key Managerial Personnel w.e.f., 12th November, 2018.

Mrs. Anju Suri, Director of the Company, who is liable to retire by rotation pursuant to the provisions of Section 152 and other applicable provisions of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014, as amended or re-enacted from time to time, has given her consent and being eligible has offered herself for re-appointment, in the 34th Annual General Meeting.

Your Directors also recommend the re-appointment of Mr. Arun Kumar Sinha, Whole-Time Director of the Company, who holds office up to 31st March, 2019 and being eligible, has offered himself for re-appointment pursuant to the provisions of Section 196, 197, 198, 203, and other applicable provisions of the Companies Act, 2013 and read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended or re-enacted from time to time as the Whole-Time Director of the Company, for another term of 3 years *w.e.f.*, 1st April, 2019, at 34th Annual General Meeting.

Mr. Manoj Joshi (DIN: 00036546), Mr. Sukhcharan Singh (DIN: 00041987) and Mr. B.R. Wadhwa (DIN: 00012096), have given their consent to act as an Independent Director of the Company pursuant to Section 152 of Companies Act, 2013, read with Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and have offered themselves to be re-appointed for an another term of 5 (five) consecutive years commencing from 19th September, 2019 to 18th September, 2024. Your directors recommend their re-appointment as Independent Directors on the Board, in accordance with the provisions of Section 149 of Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, in the ensuing Annual General Meeting.

Declaration by Independent Director(s)

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet 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 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company.

Evaluation of Board, Committees and Directors

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

Familiarization Programme for Independent Directors

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

Meetings of Board of Directors

The Board of Directors met 5 (five) 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 04th February, 2019, 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;

b) your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detecting of fraud and other irregularities;

d) the annual accounts have been prepared on a going concern basis;

e) internal financial controls to be followed by the Company have been laid down and such internal financial controls are adequate and were operating effectively; and

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 Companies Act 2013 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 Companies Act, 2013 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 behaviors, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The said policy provides for adequate safeguard against victimization and also direct access to the higher level of superiors including Chairman of the Audit Committee in exceptional cases. The same is reviewed by the Audit Committee from time to time.

RISK MANAGEMENT

The Company has in place a mechanism to inform the Board about the risk assessment and minimisation procedures and periodical review to ensure that management controls 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.

NOMINATION AND REMUNERATION COMMITTEE

Your Company has a Nomination and Remuneration Committee in compliance to the provisions of Section 178 of 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 Company has made the requisite changes in accordance of the Companies Act, 2013, as amended, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. 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. Satinder Goyal & Co. (Chartered Accountants FRN: 027334N), the Statutory Auditors of the Company, were appointed by the shareholders in the AGM held on 22nd September, 2017, pursuant to provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Act, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to all the applicable laws and regulations for a term of five (5) consecutive years to hold office from the conclusion of the 32nd Annual General Meeting until the conclusion of 37th Annual General Meeting, to be held in the year 2022, subject to ratification of appointment by the members at every Annual General Meeting.

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

EXPLANATION TO AUDITORS REPORT

The Auditors vide Para (vii)(a) of the Annexure-A to the Auditors' Report have commented on delay in deposit of Employee's State Insurance (ESI), Provident Fund (PF), Income Tax and GST dues. The Company has however, deposited all the dues in respect of ESI, PF, GST and Income Tax (TDS) for the year under review. The Company is taking requisite steps for timely deposit of above noted dues.

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 2018-19. The Secretarial Audit Report is annexed and forms part of this report as **ANNEXURE 'C'**.

EXPLANATION TO SECRETARIAL AUDIT REPORT

The Secretarial Auditor has observed that the Company has not redeemed the Preference Shares due for redemption. The reasons for not redeeming the Preference Shares have been explained in Note No. 18 to the Financial Statements for the year ended 31st March, 2019.

SECRETARIAL STANDARDS

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

COST AUDIT

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting Records maintained by the Company in respect of its Bulk Drugs and Formulations activity are required to be audited by Cost Auditors. The Board of Directors of the Company has, on the recommendation of the Audit Committee, appointed M/s. Vijender Sharma & Co., Cost Accountants, as the Cost Auditor of the Company for the financial year ended 31st March, 2020, at a remuneration of ₹ 2.00 Lakhs, subject to the ratification of their remuneration by the shareholders in the ensuing Annual General Meeting.

INTERNAL FINANCIAL CONTROLS

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

To maintain its objectivity and independence, the Internal

Audit Team reports to the Chairman of the Audit Committee of the Board. Based on the internal audit report, process owners undertake corrective action in their respective areas and thereby strengthening the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. Team engaged in internal audit 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 on 10th May, 2016 to monitor implementation of CSR activities by the Company in accordance with Section 135 read with Schedule VII of the Act. Based on the recommendation of the CSR Committee, your Board has adopted a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII.

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

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

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

LEGAL & CORPORATE MATTERS

The Company had allotted 75,17,540 Equity Shares as per Corporate Debt Restructuring ('CDR') Scheme approved by the CDR Cell. These shares were allotted on preferential basis to the Banks/ Financial Institutions. Out of total issued Equity Shares, the listing approval for 3,75,750 Equity Shares *w.r.t.*, two allottees is pending from Stock Exchanges. As advised by the Stock Exchanges, the Company has approached SEBI for grant of exemption, which is still awaited.

In the matter of cross appeals filed by the Company and Central Government before Hon'ble Supreme Court of India against the impugned judgement of the Hon'ble High Court of Himachal Pradesh appointing two government nominees on the board of the company for 3 years under provisions of erstwhile Companies Act, 1956, the Hon'ble Supreme Court vide its Order dated 9th July, 2019, has held that no interference in the aforesaid decision of Hon'ble High Court is called for. It further held that it would be open for the Company to agitate the subsequent events before the concerned forum. The company is seeking the legal advice for approaching jurisdictional National Company Law Tribunal (NCLT) for placing on record the subsequent events, inter-alia, payment to the creditors post the Orders passed by the Hon'ble High Court of Himachal Pradesh and to adjudicate in the light of the present facts and circumstances.

In the matter of prosecutions filed by the Registrar of Companies/Central Government against the Company and its Directors pursuant to Section 235 of the erstwhile Companies Act, 1956, the Company is defending against the said prosecutions before the Court and the matter is under adjudication.

EXTRACT OF ANNUAL RETURN

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Except from the liabilities which may arise in respect of payment to FD holders as per the order of Hon'ble NCLAT, dated 23rd July, 2019 which has upheld the order of NCLT dated 12th March, 2018, there have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND 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'**.

ACKNOWLEDGEMENTS

Your Directors place on record their gratitude to the Central Government, State Government, Drug Control Authorities, Company's Bankers, GMP Consultants, Auditors, Medical & Legal Professionals and business partners/for the assistance, co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of investors, vendors, dealers, business associates and employees in ensuring an excellent all around operational performance.

Your Directors look forward to your continued support in our efforts to grow together and enhance health through delivery of quality products.

For and on behalf of Board of Directors

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: New Delhi
Date: 27th July, 2019

ANNEXURE 'A'

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

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

PART A : SUBSIDIARIES

(₹ in Lakhs)

Name of the Subsidiary Company	**Dr. Morepen Limited**	**Total Care Limited**	**Morepen Inc.**
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2018 to 31-03-2019	01-04-2018 to 31-03-2019	01-04-2018 to 31-03-2019
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	–	–	US$/₹68.65 (As on 31.03.2019)
Share Capital	4,067.95 (4,06,79,500 Equity Shares of ₹10/- each)	933.39 (9,33,390 Equity Shares of ₹100/- each)	22.23 (9,400 Fully paid shares of US$1 each)
Reserves & Surplus	(254.12)	(1,859.48)	100.43
Total Assets	5,888.41	4.09	186.45
Total Liabilities	5,888.41	4.09	186.45
Investments	1,171.00	–	–
Turnover	5,438.12	–	105.32
Profit/(Loss) before Taxation	36.99	(5.23)	24.54
Provision for Taxation	15.52	12.53	5.57
Profit after Taxation	21.47	(17.76)	18.97
Proposed Dividend	–	–	–
Percentage of Shareholding	100%	95%	100%

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

For and on behalf of Board of Directors

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: New Delhi
Date: 27th July, 2019

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	45.13
Dr. A. K. Sinha	Whole-time Director	2.23
Mr. B. R. Wadhwa*	Independent Director	0.63
Mr. Sukhcharan Singh*	Independent Director	0.71
Mr. Manoj Joshi*	Independent Director	0.76
Ms. Anju Suri	Non-Executive Director	N.A.

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

Name of the Director/KMP	Designation	% increase of remuneration in F.Y. 2018-19
Mr. Sushil Suri	Chairman & Managing Director	114.60%
Dr. A. K. Sinha	Whole-time Director	(59.09%)
Mr. B. R. Wadhwa*	Independent Director	70.00%
Mr. Sukhcharan Singh*	Independent Director	146.75%
Mr. Manoj Joshi*	Independent Director	78.26%
Ms. Anju Suri	Non-Executive Director	N.A.
Mr. Ajay Kumar Sharma	Chief Financial Officer	7.99%
Mr. Thomas P. Joshua[1]	Company Secretary	(64.47%)
Mr. Vipul Kumar Srivastava[2]	Company Secretary	N.A.

[1]Resigned w.e.f., 24th September, 2018; [2] Appointed w.e.f., 12th November, 2018.

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

B. The percentage increase in the median remuneration of employees in the F.Y. 2018-19 was 9.51%.

C. The number of permanent employees on the rolls of the Company as on 31st March, 2019 was 1376.

D. The average percentile increase in the salaries of the employees other than the managerial personnel in the F.Y. 2018-19 was 23.21% while increase in Managerial remuneration was 44.58%.

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

For and on behalf of Board of Directors

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: New Delhi
Date: 27th July, 2019

ANNEXURE 'C'

(Form No. MR-3)
SECRETARIAL AUDIT REPORT
(FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019)

[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

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the 'Act') and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended;

(vi) Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945;

(vii) Drugs (Price Control) Order, 2013;

(viii) Indian Boilers Act, 1923;

(ix) Legal Metrology Act, 2009; and

(x) Trademark Act, 1999.

I 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).

I 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;

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

(f) the Company has not paid dividend to preference shareholders for more than two years and hence the preference shareholders are entitled to vote on all the matters in the General Meetings. No preference shareholder has attended the Annual General Meeting held during the previous year.

(g) The Hon'ble NCLT, Chandigarh vide its order dated 12th March, 2018 had set aside the scheme in respect of fixed deposit (FD) holders. The Hon'ble NCLAT has upheld the order of Hon'ble NCLT, directing cancellation of the shares allotted to various FD holders who has not traded/transfered their shares and making payment in lieu thereof.

I further report that during the audit period the company has got the approval of members in the Annual General Meeting of the company held on 21st September, 2018 and the company has obtained consent of the members for the re-appointment and remuneration of Mr. Sushil Suri as Chairman and Managing Director of the company apart from other ordinary business.

I further report that redemption of following preference shares are still pending, which were due to be redeemed as under:

(i) 7,65,000 0.01% Cumulative Redeemable Preference Shares (CRPS) of ₹ 100 each/- aggregating to ₹ 7,65,00,000/- due for redemption during the f.y. 2017-18;

(ii) 7,65,000 0.01% Cumulative Redeemable Preference Shares (CRPS) of ₹ 100 each/- aggregating to ₹ 7,65,00,000/- due for redemption during the f.y. 2016-17;

(iii) 97,35,201 0.01% Optionally Convertible Preference Shares (OCPS) of ₹ 100 each/- aggregating to ₹ 97,35,20,100/- due for redemption during the f.y. 2014-15;

(iv) 2,00,000 0.01% Cumulative Redeemable Preference Shares (CRPS) of ₹ 100 each/- aggregating to ₹ 2,00,00,000/- due for redemption during the f.y. 2011-12;

(v) 5,00,000 9.75% Cumulative Redeemable Preference Shares (CRPS) of ₹ 100 each/- aggregating to ₹ 5,00,00,000/- due for redemption during the f.y. 2003-04.

For PD and Associates
Company Secretaries

CS Praveen Dua
(Proprietor)
Place: New Delhi **FCS No.: 3573**
Date: 27th July, 2019 **C P No.:2139**

To,
The Members
Morepen Laboratories Limited

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

1) Maintenance of the secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

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

CS Praveen Dua
(Proprietor)
Place: New Delhi **FCS No.: 3573**
Date: 27th July, 2019 **C P No.:2139**

ANNEXURE 'D'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Section 135 of the Companies Act, 2013)

I. Brief outline of the Corporate Social Responsibility (CSR) Policy

The Company's CSR Policy is in pursuance of the provisions of Section 135, Schedule VII and other applicable provisions of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The Board of Directors of the Company has adopted the CSR Policy formulated and recommended by the CSR Committee and the same is available on the Company's website at http://www.morepen.com/pdf/Corporate-Social-Responsibility-Policy.pdf.

The Company undertakes the CSR activities through **K.B. Suri Memorial Trust** which runs a Charitable Dispensary at Katra, Jammu & Kashmir and through **Gyan Jyoti Education Foundation** which provides Education and General Public Utility to the deprived sections of the Society.

II. Composition of CSR Committee of the Board

The CSR Committee of the Board comprises of Mr. Sushil Suri, Chairman of the Committee, Mr. Manoj Joshi and Mr. B. R. Wadhwa as members.

III. Average Net Profits, prescribed CSR expenditure and details of CSR spent (₹ in Lakhs)

Particulars	Amount
Average net profit of the Company for the last 3 financial years	2,157.38
Prescribed CSR Expenditure (2% of the average net profits)	43.15
Details of CSR Expenditure during the financial year:	
Total amount to be spent for the financial year	43.15
Amount unspent	Nil

Manner in which amount is spent on CSR activities during the financial year are detailed below: (₹ in Lakhs)

CSR Project or activity identified	Sector in which the project is covered	Location of project (District & State)	Amount outlay (budget) project or program programs wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period	Amount spent directly or through implementing agency
				Direct expenditure on project or programs	Overheads		
Promotion of healthcare including preventive healthcare	Health	Katra, Jammu & Kashmir	32.55	32.55	–	92.04	K.B. Suri Memorial Trust (Implementing Agency)
Education and General Public Utility	Education & Vocational Training etc.	Guwahati, Assam	10.60	12.51	–	12.51	Gyan Jyoti Education Foundation (Implementing agency)
Total			**43.15**	**45.06**	**–**	**104.55**	

The Company has undertaken the CSR activities through **K.B. Suri Memorial Trust** which contributes in the promotion of healthcare including preventive healthcare and manages the 'Jai Durga Charitable Dispensary' situated at Main Bazaar, Katra, Near Hanuman Mandir, Jammu & Kashmir. The dispensary caters to the urgent medical needs of pilgrims, staff employed in hotels, dharamshalas, pony and pithu porters, local public and public of nearby areas by providing OPD services and necessary medicines free of cost. Further, the dispensary also caters to medical needs of Police and CRPF personnel deployed at Katra. More than 100 patients visit the dispensary every day in the OPD facility mostly for treatment of hypertension, diabetes, acute gastritis, gastrointestinal infections, urinary tract infections, upper respiratory tract infections, lower respiratory tract infections and injuries of monkey bite amongst other medical needs.

During the year, the Company has also undertaken CSR activities through **Gyan Jyoti Education Foundation** (the foundation) which is currently operates its 26 training centres with a capacity to train people every year. Training centres are a combination of owned, franchised, shared and government-aided centres under Public Private Partnership. The foundation has certified numerous candidates till date on various streams through its team of highly qualified trainers and Business Associates.

The foundation brings in a fresh approach based on its expertise in integrating technology, training methods, knowledge management and quality system to transform delivery of vocational training.

IV. Responsibility Statement

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the CSR projects and activities in compliance with the CSR objectives and Policy of the Company.

For Morepen Laboratories Limited

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

Place: New Delhi
Date: 27th July, 2019

ANNEXURE 'E'

FORM NO MGT-9: EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED 31st MARCH, 2019

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April, 2018]				No. of Shares held at the end of the year [As on 31st March, 2019]				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	4,12,41,750	–	4,12,41,750	9.17	4,12,41,750	–	4,12,41,750	9.17	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt.(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	11,41,29,838	–	11,41,29,838	25.37	11,41,29,838	–	11,41,29,838	25.37	–
e) Banks / FIs	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1)	**15,53,71,588**	**–**	**15,53,71,588**	**34.54**	**15,53,71,588**	**–**	**15,53,71,588**	**34.54**	–
(2) Foreign									
a) NRI's - Individuals	–	–	–	–	–	–	–	–	–
b) Others - Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FIs	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total shareholding of Promoters (A) = (A)(1) + (A)(2)	**15,53,71,588**	**–**	**15,53,71,588**	**34.54**	**15,53,71,588**	**–**	**15,53,71,588**	**34.54**	–
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FIs	15,73,293	6,87,500	22,60,793	0.50	16,32,945	3,12,500	19,45,445	0.43	(0.07)
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt.(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–

f)	Insurance Companies	2,15,79,754	85,125	2,16,64,879	4.82	2,15,79,754	85,125	2,16,64,879	4.82	–
g)	FIIs	–	3,85,30,000	3,85,30,000	8.57	–	3,85,30,000	3,85,30,000	8.57	–
h)	Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i)	Others (FPIs)	19,65,743	–	19,65,743	0.44	35,27,700	–	35,27,700	0.78	0.34
Sub-total (B)(1)		**2,51,18,790**	**3,93,02,625**	**6,44,21,415**	**14.33**	**2,67,40,399**	**3,89,27,625**	**6,56,68,024**	**14.60**	**0.27**
(2)	**Non-Institutions**									
a)	Bodies Corp.	2,31,96,180	7,37,837	2,39,34,017	5.33	1,77,48,870	6,37,221	1,83,86,091	4.09	(1.24)
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹1 Lakh	11,32,11,049	3,58,81,879	14,90,92,928	33.14	12,07,46,370	3,04,43,571	15,11,89,941	33.61	0.47
ii)	Individual shareholders holding nominal share capital in excess of ₹1 Lakh	2,82,34,069	1,65,637	2,83,99,706	6.31	3,04,74,341	4,74,382	3,09,48,723	6.88	0.57
c)	Any Other									
i)	Non-Resident Indian/ OCB	2,60,59,667	–	2,60,59,667	5.79	2,65,33,998	–	2,65,33,998	5.90	0.11
ii)	Clearing Member	24,05,114	–	24,05,114	0.53	15,41,429	–	15,41,429	0.34	(0.19)
iii)	Trust	16,068	–	16,068	–	16,068	–	16,068	0.00	–
iv)	NBFC	1,25,700	–	1,25,700	0.03	1,70,341	–	1,70,341	0.04	0.01
Sub-total (B)(2)		**19,32,47,847**	**3,67,85,353**	**23,00,33,200**	**51.13**	**19,72,31,417**	**3,15,55,174**	**22,87,86,591**	**50.86**	**(0.27)**
Total Public Shareholding (B) = (B)(1) + (B)(2)		**21,83,66,637**	**7,60,87,978**	**29,44,54,615**	**65.46**	**22,39,71,816**	**7,04,82,799**	**29,44,54,615**	**65.46**	–
C.	**Shares held by Custodian for GDRs & ADRs**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Grand Total (A + B + C)		**37,37,38,225**	**7,60,87,978**	**44,98,26,203**	**100.00**	**37,93,43,404**	**7,04,82,799**	**44,98,26,203**	**100.00**	–

ii) Shareholding of Promoters:

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

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

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

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

S. No.	Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Share-holding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**PINFOLD OVERSEAS LIMITED**				
	At the beginning of the year	**3,85,30,000**	**8.57**		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			**3,85,30,000**	**8.57**
2.	**FERRY HOLDINGS LIMITED**				
	At the beginning of the year	–	–		
	Increase/(Decrease) in Shareholding during the year				
	16/03/2018	2,00,00,000	4.45	2,00,00,000	4.45
	At the end of the year			**2,00,00,000**	**4.45**
3.	**LIFE INSURANCE CORPORATION OF INDIA**				
	At the beginning of the year	**76,11,574**	**1.69**		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			**76,11,574**	**1.69**
4.	**DAMODAR PRASAD AGARWAL**				
	At the beginning of the year	**69,42,209**	**1.54**		
	Increase/(Decrease) in Shareholding during the year				
	27/04/2018	20,000	0.00	6,962,209	1.55
	04/05/2018	(10,000)	0.00	6,952,209	1.55
	11/05/2018	(10,000)	0.00	6,942,209	1.54
	18/05/2018	20,000	0.00	6,962,209	1.55
	25/05/2018	(30,000)	(0.01)	6,932,209	1.54
	08/06/2018	(27,000)	(0.01)	6,905,209	1.54
	15/06/2018	(25,000)	(0.01)	6,880,209	1.53
	06/07/2018	10,000	0.00	6,890,209	1.53
	13/07/2018	(2,000)	0.00	6,888,209	1.53
	20/07/2018	(20,000)	0.00	6,868,209	1.53
	27/07/2018	(5,000)	0.00	6,863,209	1.53
	24/08/2018	(754)	0.00	6,862,455	1.53
	31/08/2018	10,000	0.00	6,872,455	1.53
	14/09/2018	10,000	0.00	6,882,455	1.53
	05/10/2018	12,378	0.00	6,894,833	1.53
	12/10/2018	10,000	0.00	6,904,833	1.54

	19/10/2018	(4,000)	0.00	6,900,833	1.53
	28/12/2018	20,000	0.00	6,920,833	1.54
	18/01/2019	46,874	0.01	6,967,707	1.55
	15/02/2019	2,550	0.00	6,970,257	1.55
	22/02/2019	5,000	0.00	6,975,257	1.55
	15/03/2019	50,000	0.01	7,025,257	1.56
	22/03/2019	50,000	0.01	7,075,257	1.57
	At the end of the year			**70,75,257**	**1.57**
5.	**UNITED INDIA INSURANCE COMPANY LIMITED**				
	At the beginning of the year	**41,56,275**	**0.92**		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			**41,56,275**	**0.92**
6.	**GENERAL INSURANCE CORPORATION OF INDIA**				
	At the beginning of the year	**35,66,869**	**0.79**		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			**35,66,869**	**0.79**
7.	**THE NEW INDIA ASSURANCE COMPANY LIMITED**				
	At the beginning of the year	**30,41,425**	**0.68**		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			**30,41,425**	**0.68**
8.	**BAYSWATER ENTERPRISES LIMITED**				
	At the beginning of the year	**29,04,000**	**0.65**		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			**29,04,000**	**0.65**
9.	**NATIONAL INSURANCE COMPANY LIMITED**				
	At the beginning of the year	**19,29,500**	**0.43**		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			**19,29,500**	**0.43**
10.	**EMERGING MARKETS CORE EQUITY PORTFOLIO (DFA Investment Dimensions Group Inc.)**				
	At the beginning of the year	**81,100**	**0.02**		
	Increase/(Decrease) in Shareholding during the year:				
	27/04/2018	100,622	0.02	181,722	0.04
	04/05/2018	65,081	0.01	246,803	0.05
	11/05/2018	89,982	0.02	336,785	0.07
	18/05/2018	246,178	0.05	582,963	0.13
	25/05/2018	154,318	0.03	737,281	0.16
	15/06/2018	141,742	0.03	879,023	0.20
	22/06/2018	38,281	0.01	917,304	0.20
	06/07/2018	40,099	0.01	957,403	0.21
	13/07/2018	205,984	0.05	1,163,387	0.26
	20/07/2018	309,698	0.07	1,473,085	0.33
	27/07/2018	190,926	0.04	1,664,011	0.37
	03/08/2018	25,220	0.01	1,689,231	0.38
	10/08/2018	69,861	0.02	1,759,092	0.39
	17/08/2018	137,736	0.03	1,896,828	0.42
	At the end of the year			**18,96,828**	**0.42**

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Director(s) & KMP(s)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**MR. SUSHIL SURI**				
	Chairman & Managing Director				
	At the beginning of the year	55,01,510	1.22		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			55,01,510	1.22
2.	**DR. A. K. SINHA**				
	Whole-time Director				
	At the beginning of the year	100	0.00		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			100	0.00
3.	**MR. MANOJ JOSHI**				
	Independent Director				
	At the beginning of the year	–	–		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			–	–
4.	**MR. SUKHCHARAN SINGH**				
	Independent Director				
	At the beginning of the year	–	–		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			–	–
5.	**MR. B. R. WADHWA**				
	Independent Director				
	At the beginning of the year	–	–		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			–	–
6.	**MRS. ANJU SURI**				
	Director				
	At the beginning of the year	51,86,369	1.15		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			51,86,369	1.15
7.	**MR. AJAY SHARMA**				
	Chief Financial Officer				
	At the beginning of the year	–	–		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			–	–
8.	**MR. THOMAS P. JOSHUA***				
	Company Secretary				
	At the beginning of the year	–	–		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			–	–
9.	**MR. VIPUL KUMAR SRIVASTAVA****				
	Company Secretary				
	At the beginning of the year	–	–		
	Increase/(Decrease) in Shareholding during the year	–	–	–	–
	At the end of the year			–	–

* Mr. Thomas P. Joshua had resigned on 24th September, 2018.

** Mr. Vipul Kumar Srivastava is appointed as the Company Secretary w.e.f., 12th November, 2018.

V. INDEBTEDNESS

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

(₹ in Lakhs)

Particulars	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	1,411.67	11,965.20	–	13,376.87
(ii) Interest due but not paid	65.12	831.69	–	896.81
(iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	**1,476.79**	**12,796.89**	**–**	**14,273.68**
Change in Indebtedness during the financial year				
*Addition	1,004.37	49.63	–	1,004.37
*Reduction	1,311.80	–	–	1,311.8
Net Change	**(307.43)**	**49.63**	**–**	**(307.43)**
Indebtedness at the end of the financial year				
(i) Principal Amount	1,169.36	1,1965.2	–	13,134.56
(ii) Interest due but not paid	–	881.32	–	881.32
(iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	**1,169.36**	**12,846.52**	**–**	**14,015.88**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Sushil Suri Chairman & Managing Director	Dr. A. K. Sinha Whole-time Director	
1.	Gross salary			
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	109.33	6.00	115.33
	b. Value of perquisites under Section 17(2) Income Tax Act, 1961	11.86	–	11.86
	c. Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission			
	- as % of profit	–	–	–
	- others, specify	–	–	–
5.	Others, please specify	–	–	–
	Total (A)	**121.19**	**6.00**	**127.19**
	Ceiling as per the Act	149.43	149.43	298.86

B. Remuneration to other Directors:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	**Independent Directors**	**Mr. Manoj Joshi**	**Mr. Sukhcharan Singh**	**Mr. B. R. Wadhwa**	
	• Fee for attending board and committee meetings	2.05	1.90	1.70	5.65
	• Commission	–	–	–	–
	• Others, please specify	–	–	–	–
	Total (1)	2.05	1.90	1.70	5.65
2.	**Other Non-Executive Directors**	**Mrs. Anju Suri***			
	• Fee for attending board and committee meetings	–	–	–	–
	• Commission	–	–	–	–
	• Others, please specify	–	–	–	–
	Total (2)	**–**	**–**	**–**	**–**
	Total (B) = (1 + 2)	**–**	**–**	**–**	**5.65**
	Total Managerial Remuneration (A + B)				**132.84**
	Overall Ceiling as per the Act				378.75

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

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

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Ajay Sharma (Chief Financial Officer)	**Mr. Thomas P. Joshua (Company Secretary)***	**Mr. Vipul Kumar Srivastava (Company Secretary)****	
1.	Gross salary Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	85.65	7.50	4.83	97.98
	Value of perquisites under Section 17(2) Income Tax Act, 1961	–	–	–	–
	Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	–	–	–	–
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission - as % of profit - others, specify	–	–	–	–
5.	Others, please specify	–	–	–	–
	Total	**85.65**	**7.50**	**4.83**	**97.98**

** Mr. Thomas P. Joshua had resigned on 24th September, 2018.*

*** Mr. Vipul Kumar Srivastava is appointed as the Company secretary w.e.f., 12th November, 2018.*

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for the year ended 31st March, 2019.

For and on behalf of Board of Directors

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: New Delhi
Date: 27th July, 2019

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, 2019]

A. CONSERVATION OF ENERGY

1) Energy Conservation measures taken:

- Replacement of Belt Drive Centrifugal Blowers with Plug type directs Blowers in the Air Handling Units.
- Replacement of PPFRP blades with Aluminum Blades in the Cooling Tower.
- Replacement of plant motors with high efficient motors.
- Providing high efficiency Hot water system in the manufacturing facilities which replaces existing hot water system (direct steam purging).
- Installation of Pneumatic Control Valves with the manual Steam Valve in the Hot water tanks and Steam Tray Dryers which reduced the steam consumption.
- Replacement of Chilled water with the cooling tower water in the Solvent Recovery Plant after installation of high efficiency heat exchangers.
- Technology up gradation in the Utilities sections by installing the high efficiency machines.
- Recovery of entire plant condensate by installation of pressure power pump package unit.
- Installation of High efficiency agitator in the reactors.

2) Impact of measures taken:

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

3) Steps taken for utilizing alternate source of energy:

- Feasibility study already being carried out for utilizing solar energy, as an alternate source of power, at plant locations. To Start with we are planning to replace all our street lights with Solar energy in the Ist Phase and after this successful installation, we will plan for 600 MW solar Roof Tops.
- Replacement of Furnace Oil with LPG in the boiler is under evaluation.

4) Capital investment on energy conservation equipment:
Capital investment on energy conservation equipment made during the year is ₹243.00 Lakhs.

B. TECHNOLOGY ABSORPTION (R&D)

1) Efforts made towards technology absorption:
The Company is carrying out innovative process improvements for the manufacture of its entire APIs as well as Formulations. Research and Development (R&D) activities continue to be a strong support for profitable growth of business of the Company as well as to meet the stringent requirements of various regulated markets. Efforts & resources put in R&D have yielded the desired results in developing robust and safe processes as well as formulations at affordable cost, development of cost-effective processes for synthesis of new APIs and improving processes for existing APIs and formulation products. The key areas and efforts made towards development/improvements of technologies of various APIs are as under:

- Scale up of Technology at Manufacturing plant & Commercialization of Empagliflozin in anti-diabetic category.
- Transfer of Technology of Amorphous Dapagliflozin in Anti-diabetic category to plant.
- Scale up of Technology at Manufacturing plant & commercialization of Linagliptin in Anti-diabetic category to plant.
- Development of cost-effective enzymatic process using Green chemistry & transfer of Technology of Ursodeoxycholic Acid in Treatment of primary biliary Cirrhosis category in plant.
- Transfer of Technology of Alogliptin Benzoate in Anti-diabetic category to plant.
- Transfer of Technology of Vildagliptin in Anti-diabetic category to plant.
- Development of Improved Chemical Entities/ Novel chemical Entities (NCE) is being explored in collaboration with NIPER Mohali.

New Formulations Developed and commercialized in different therapeutic categories

- Montelukast & desloratadine tablets and

Montelukast & Fexofenadine tablets Montelukast + Levocetrizine dispersible tablets developen and commercialized under antihistaminic & antiallergic category.
- Iron, multivitamin & mutivitamin tablets.
- Disodium hydrate syrup under antacid and gastric disorder.
- Bromohexine syrup & Ambroxol HCL + Terbutaline Sulphate + Guiaphensin + Phenylephrine syrup and Ambroxol + Levosalbutamol sulphate + Guaiphensin syrup under Cough and cold category.
- Terbinafine tablets, Ketoconazole tablets developed & launched under anti-fungal category.
- Paracetamol suspension under pediatric antipyretic category.
- Deflazacort tablets under immunomodulators.
- Doxycycline capsule under broad spectrum antibiotic category.
- Acebrophylline ER tablets under bronchiodilator category.
- Citicholine + piracetam tablets under neurological disorder/Alzheimer's.
- Racecadotril capsules under antidiarrhoeal category.
- Promethazine syrup under aniti nausea & vomiting.
- Tamsulocin and dutasteride bilayer tablet for benign prostatic hyperplasia.
- Alphalipoic acid and mecobalamin along with vitamin-B group capsules under Antioxidant & vitamins category.
- Febuxostat 80 mg - additional strength under Antigout category.
- Aluminium hydroxide, Magnesium hydroxide, simethicone, Oxetacaine Antacid suspension under Gastric disorder.

Products developed to be launched under different therapeutic categories:
- Aceclofenac & Thiocolchicoside tablets under Pain & Skeletal muscle relaxant category.
- Atorvastatin tablets - additional strengths under antihyperlipedemic category.
- Pantoprazole tablets - additional strengths under Gastric & antiacidity.
- Paracetamol + Caffeine tablets under Pain management (Head ache category).
- Vitamin D3 Oral solution (Oil based) - under Vitamin D defficiency (rickets/osteomalacia).
- Metformin ER 750 mg Tablets - additional strengths under antidiabetic category.
- Iron with Multivitamin tablets - Under vitamin & Mineral tablets.
- Sugar free tablets - under supplements for diabetic patient.

Development under progress:
- Vildagliptin 50/100 mg tablets- under antidiabetic segment.
- Vildagliptin 50 + Metformin/500/850/1000 mg tablets- Under antidiabetic segment.
- Rivaroxaban tablets 15/20 mg tablets- under cardiovascular disorder category.
- Dabigatron Mesilate capsules 75/110/150 mg under cardiac segment.
- Levetiracetam 250/500 tablets-under anticonvulsant category.
- Montelukast + Desloratadine Syrup (First time in INDIA, Patent has filed in India).
- Aspirin 75 + Clopidogrel 75/150 mg Bilayered tablets- Under Cardiac segment.
- Telmisartan 80 mg + Amlodipine 5 mg bilayered tablets-under antihypertensive segment.
- Esomeprazole 20/40 mg tablets under Antigastric/ antiacid category.
- Coral calcium tablets- under Calcium tablets category.
- Mefenamic acid + Dicyclomine tablets under Pain and Antispasmodic category.
- Etoricoxib + Thiocholchicoside tablets under pain & skeletal muscle relaxant.
- calcitriol, Vit K2-7, Caco3 Boron, Zinc tablets- Under vitamin, mineral tablets.
- Atorvastatin 10 mg + Aspirin 75 mg capsules- under cardiac segment.
- Rosuvastatin 10 mg + Aspirin 75 mg capsules- under cardiac segment.
- Dapagliflozin propanediol 5/10 mg tablets- under cardiac segment.

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

The Company is working to improve its processes which would help it in reducing cost and offer quality products both in API and formulation segments. Benefits derived as a result of the above including product improvement, cost reduction, new product development, import substitution etc. are detailed hereunder:
- PCT National phase application of Rosuvastatin Calcium of new polymorph patent was filed in Europe & USA. It has been published as US2019/0127334 & EP3445751.
- Indian Patent application titled "Novel Amine Salts and Amide Derivatives of Various Active Pharmaceutical Ingredients" was filed as IN201811021553.

- Indian Patent application for Empagliflozin was filed as IN201911008294. It reports "Novel Processes for preparation of Crystalline Empagliflozin".
- Indian Patent application titled "Novel Processes for the purification of UDCA and its various intermediates" was filed as IN201911008295.
- Indian Patent application titled "Novel Processes for the preparation and purification of Rivaroxaban and its Intermediates" was filed as IN201911013250.
- Indian Patent application titled "A Pharmaceutical Composition in Form of Aqueous Syrup Comprising Desloratadine and Montelukast Sodium" was filed. It essentially covers the formulation containing Montelukast sodium & Desloratadine in varying composition.
- Yield improvement and reduction in the input quantities of Raw Materials resulting in cost reduction and economization for various APIs.
- Process/Quality improvements and product up-gradation as per customer requirements.
- Robust formulation with improved Quality of pharmaceutical products via mandatory stability studies of drug product at Formulation Development stage to minimize market complaints at Zero level.
- Cost reduction in different formulations by altering the excipient without affecting the quality parameters such as: Telmisartan tablets 20/40/80mg, Enalapril maleate tablets 2.5/5.0 & 10 mg, Etoricoxib tablets 90 mg.
- Patent filing (Provisional specification) entitled A Pharmaceutical Composition in Form of Aqueous Syrup Comprising Desloratadine and Montelukast Sodium".

3) Future plan of action:

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

- New drugs like Rivaroxaban, Apixaban & Edoxaban Tosylate in Anti-coagulant Category, Elagolix Sodium in GnRH Antagonist Category, Ertugliflozin in Anti-diabetic category, Febuxostat in Anti-gout Category, Ivacaftor in Transmembrane conductance regulator category, Rupatadine Fumarate in Anti-histaminic category & Vortioxetine Hydrobromide in Anti-depressant category are being considered for development.
- Commercialization of Ursodeoxycholic acid & Vildagliptin is being planned due to their high demand.
- Technology Transfer / Scale up & commercialization of Rivaroxaban & Rupatadine Fumarate is being planned.
- Process Improvement work using concept of Green chemistry is also planned.
- Process Improvement work for various APIs using Microwave Technology.
- To focus on in-house API formulations for domestic and export markets.
- To develop and File dossier for Apixaban 2.5/5 mg, Linagliptin 5 mg, Empagliflozin 10/25 mg, Sitagliptin 25/50/100 mg through CRO & CMO at initial stage.
- Simultaneous Creation of our own Formulation development lab & Analytical development lab facility for ANDA and other regulated market at Baddi location.

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

None.

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

The Company has incurred a total expenditure of ₹95.86 Lakhs, in comparison to expenditure of ₹50.20 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: New Delhi
Date: 27th July, 2019

ANNEXURE 'G'

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL PHARMACEUTICAL SCENARIO

The pharmaceutical industry continues to thrive, yet there are several challenges that may affect the industry's future growth in 2019 and beyond. The drug prices are at an all-time high, R&D productivity has only just begun to climb again following a limitation faced in previous few years. The Indian Pharmaceutical Sectors is recovering from regulatory turbulence in the most profitable global market, top Indian pharma companies have zeroed in on cost rationalization, better compliance standards and a more nimble response to competition while hoping the Chinese market could provide the salve going ahead. A review of the FY19 performance of leading Indian pharma companies point to four dominant themes that hold the future for the industry.

Cost: Rationalisation of cost during difficult times seems to be the most important mantra for Indian pharma companies that compete on low-cost generics. Spending high on R&D related to generic drugs has not been paying off — prompting companies to go back to their planning boards to make R&D more productive. Besides, legal costs as well as expenditure on drug marketing have surged in recent years.

Compliance: With most pharma companies facing compliance issues with the US drug regulator, the topic is bound to be on top of their list of priorities. Right from observations, warning letters to import alerts – companies in India have faced varying degrees of reproach from the USFDA. Besides the loss of business and expenses incurred on remedial action, companies also suffer value erosion on the bourses amid uncertainty about the course correction.

Competition: Competition in the US has worsened in the traditional generic business segment and is no longer as remunerative. Faster pace of drug approvals has accentuated it. To counter it, Indian companies are moving towards difficult to manufacture differentiated drugs like complex generics, specialty drugs and biosimilar – a shift that requires change in expertise, additional investment and management bandwidth. The growth prospects of companies will depend on the selection of the right strategy.

China: The gradual opening of the Chinese market for Indian generics seems to be a timely opportunity for pharma companies. Indian companies are trying to find a sweet spot to export drugs to China amidst the fast-developing trade war between China and the United States.

The pharmaceutical landscape is constantly changing with the rapid growth of biosimilars and disruptions of health technology. The global pharmaceutical market is expected to grow at compound annual growth rate of around 3-6% over the next five years and will cross $1.5 trillion by 2023. The key drivers of growth will continue to be the United States and pharmerging markets with 4-7% and 5-8% compound annual growth, respectively. In the United States, overall spending growth is driven by a range of factors including new product approval and brand pricing, while it is offset by patent expiries and generics. Medicine spending in Japan totaled $86 billion in 2018, however spending on medicines is expected to decline by -3 to 0% through 2023, largely because of exchange rates and the continued uptake of generics. In Europe, cost-containment measures and less growth from new products contribute to slower growth of 1 – 4%, compared to the 4.7% compound annual growth seen over the past five years. Pharmaceutical spending in China reached $137 billion in 2018 and is expected to reach $140 – 170 billion by 2023, but its growth is likely to slow to 3 – 6%.

New products and losses of exclusivity will continue to drive similar dynamics across developed markets, while product mix will continue to shift to specialty and orphan products. An average of 54 new active substance (NAS) launches per year are expected over the next five years and two-thirds of launches will be specialty products, lifting specialty share of spending to near 50% by 2023 in most developed markets. At the same time, the impact of losses of exclusivity in developed markets is expected to be $121 billion between 2019 and 2023, with 80% of this impact, or $95 billion, in the United States. By 2023, biosimilars competition in the biologics market will be nearly three-times larger than it is today. The industry need to address many challenges, in order to thrive in 2019 and beyond.

The United States has led the international pharmaceutical market for many years, so slowed growth here signals bad

news for the global economy. Analytical reports indicate that market growth in the US will slow to single digits, between 6% and 9%, through 2021, which is down from a 12% growth in earlier years. Still, the US will remain the world's largest pharmaceutical market, contributing 53% of all forecasted growth within the next five years. China is expected to continue in the second-largest spot by contributing 12% of the world's pharmaceutical growth.

On a volume basis, the total volume of medicines consumed globally will increase by about 3% annually through 2021, only modestly faster than population and demographic shifts. Issues of pricing, market-access pressures, lower volume growth in emerging markets, and further generic-drug spread will contribute to the lower rate of growth, according to the analysis.

There is still a major issue over high drug prices in the USA. Mounting pressures by patients, politicians and regulatory bodies over drug pricing and reimbursement led to price freezes in 2018 and a proposal to introduce an 'international pricing index' through Medicare - which would aim to reduce Medicare spending by 30%. The proposal was met widely with criticism due to concerns and in early 2019 several pharmaceutical companies hiked their prices up even further - an average of 6.3%. The government faces an ongoing and complex challenge to control increasing drug prices to pave the way or more affordable and accessible healthcare for its citizens.

Biosimilars have made big waves in recent years and there is strong growth predicted across all markets, forecasting over 20% increases over the next five years. However, even though biosimilars are growing at an accelerated rate, the market is still dominated by small molecules with 76% of the market share.

Although biosimilars are a growing segment and threaten to take market share from small molecules, there are some challenges to their production. Based on progress to date, the development of biosimilars seems to provide challenges of its own. Despite considerable growth, the market is still in early nascent stage and, in some markets, this development is being further slowed by lawsuits over biologic patents. The regulatory processes are not yet solidified either and those that have been developed thus far have required costly clinical trials to gain market approval.

Although biosimilars will present competition for biologics, they represent significant savings to the consumer. In the United States, the projected cost savings from switching to biosimilars is expected to be between $40 and $250 billion within the next 10 years. This will go some way in combatting the drug price crisis and make life saving medicines more affordable.

Because they are so new to market, biosimilars also present an opportunity for pharmaceutical companies. Those who excel at marketing biosimilars within their product range stand to gain an edge over their competitors. Even companies with limited experience of developing biosimilars can grow their portfolios with strategic mergers/acquisitions to increase their capabilities.

With the deadline fast approaching for the UK to confirm the terms of their departure from the European Union (EU), the effect of the potential outcomes on the pharmaceutical industry, both in the UK and globally, is not fully known. The fear of a no-deal Brexit is causing a sense of panic in the European industry that the UK is working hard to assuage.

2019 is proving to be an interesting year for the pharmaceutical industry for many reasons. Slowed market growth, Brexit implications and inflated drug prices are main areas of concern, but we have also seen this in prior years where the market bounced back and adapted to change.

Still, even with its challenges, the pharmaceutical industry is maintaining a stronghold. There is promising news on the horizon with biosimilars and patient-centric healthcare trends that are likely to help the market return to a full thriving state. Emerging markets with strong market growth such as China promise more innovative drug development, hopefully leading to more life-saving drug approvals for patients worldwide.

DOMESTIC PHARMACEUTICAL MARKET

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms. The exports of Indian pharmaceutical industry to the US will get a boost, as branded drugs worth US$ 55 billion will become off-patent

during 2017-2019. Medicine spending in India is projected to grow 9-12% over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

The pharmaceutical sector was valued at US$ 33 billion in 2017. The country's pharmaceutical industry is expected to expand at a CAGR of 22.4% till 2020 to reach US$ 55 billion. India's pharmaceutical exports stood at US$ 17.27 billion in FY18 and have surpassed US$ 15.52 billion in FY19.

India's domestic pharmaceutical market turnover reached US$ 18.12 billion in 2018, growing 9.4% year-on-year US$ 17.87 billion in 2017. During 2018, Indian pharma companies received 290 ANDA approvals from US FDA. The country accounts for around 30% (by volume) and about 10% (value) in the US$ 70-80 billion US generics market.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30% a year and reach US$ 100 billion by 2025.

Further investment (as % of sales) in research & development by Indian pharma companies* increased from 5.3% in FY12 to 8.5% in FY18.

The government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

MOREPEN'S STRATEGY

ACTIVE PHARMACEUTICAL INGREDIENDTS (API)

The company is having strong foothold in the fields of Anti-hypertensive, Anti-histaminic, Anti-asthmatic, Anti-hypercholesterolemia & Anti-diabetic drugs and has been servicing customers both in export as well as domestic markets from many years. The Candesartan Cilexetil and Olmesartan Medoxomil Genotoxic DMF filing is slated during the current calendar year. The USDMFs for already commercialized latest anti-diabetic drugs of 'gliptin' series i.e. Saxagliptin Hydrochloride & Sitagliptin phosphate were filed during the current year whereas USDMF filing for another commercialized product of this category i.e. Linagliptin, is also planned for the current year. Development & transfer of technology of another New molecules of this series i.e. Alogliptin Benzoate & Vildagliptin were completed successfully in the plant. Two new products in the latest anti-diabetic 'gliflozin' series i.e. Dapagliflozin Propanediol & Empagliflozin have been commercialized & their USDMF filing is also slated for the coming year. Furthermore, development of Amorphous Dapagliflozin has also been completed and has been transferred to plant. The commercialization of Canagliflozin Hemihydrate is being planned in the current year. Morepen has also selected Ertugliflozin, another new drug of this series, for development, which seems to have good market potential. These valuable additions would make 'Morepen' very strong in Anti-histaminic, Anti-asthmatic, Anti-hypercholesterolemic & Anti-diabetic drugs. The new product additions in aforesaid new categories are expected to bring additional business to the Company.

Apart from this, development of another complex molecules 'Ursodiol' or Ursodeoxycholic acid, for treatment of primary biliary cirrhosis, has been completed by enzymatic technology as a green chemistry initiative and its technology has been transferred to plant.

Morepen is world leader in Loratadine produced in its USFDA approved Masulkhana as well as Baddi facility. The Company has achieved leadership position, of being one of the largest suppliers of block buster drugs i.e. anti-asthmatic drug Montelukast Sodium produced in its USFDA approved Masulkhana along with Desloratadine, another anti-histaminic drug.

Morepen 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 & Candesartan of anti-hypertensive series & their intermediates produced in its USFDA approved Baddi facility. Another block buster drugs Sitagliptin, Saxagliptin, Linagliptin of 'Gliptin' series and Empagliflozin, Dapagliflozin Propanediol of 'Gliflozin' series are also produced in the Baddi facility to cater the requirement of various customers for formulation development & for patent free countries.

Morepen wishes to make its hold further strong in anti-histaminic category by developing Rupatadine Fumarate in the coming year.

Morepen has filed five new patent applications for Crystalline Empagliflozin, Novel purification process of UDCA, Novel purification and preparation process of Rivaroxaban, Rupatadine Fumarate Polymorphic Form A & for Pharmaceutical Composition in Form of Aqueous Syrup Comprising Desloratadine and Montelukast Sodium.

FORMULATIONS AND HOME HEALTH DIAGNOSTICS

Your Company has made considerable progress in both formulations and home diagnostics business segments. Formulation business has recorded a growth of 39% during the year whereas Home - diagnostics business is up by 35% against last year. Blood Gluco monitoring business is up 43% whereas Blood Pressure monitoring business is up by 22%. The Company has cumulatively sold 285 Million Gluco Strips as on close of current year.

Home Diagnostics business continues to make handsome growth year on year and has touched ₹ 139.75 Crores in the current year from ₹ 51.30 Crores in FY2015. The manufacturing of Blood Glucometers started few years back has made the company self-reliant. It had saved foreign exchange worth USD 3 million during the current year. Further in house production of Glucometer strips was started last year is bearing fruits. The Company taken up in house manufacturing Nebulizers and Thermometers.

The formulation and home diagnostics business has significantly improved during the year and efforts are on to make significant growth in the coming years. The customers having reposed confidence in our branded product portfolio will be offered new products during the coming years and market penetration shall also be improved.

BRAND SHARING AND PRODUCT CONTRACT MANUFACTURING (PCM)

Brand sharing and contract manufacturing business has been significant growth during the current year. Your Company has been able to make inroads across most of the therapeutic areas based on its brand image and quality product delivery.

The tie-up with Vésale Pharma International of Belgium will be offering the entire product folio in immediate future and company expects to have some footprint in Probiotics market in India.

The Company is reaching more markets and servicing large spectrum of people to deliver its wide range of products.

OPPORTUNITIES AHEAD

This growth is fuelled by the growing and ageing population in key markets. As per World Population Prospects by United Nations, the worldwide population is likely to cross 9.3 billion by 2050 and around 21% of this population is expected to be aged 60 and above. Apart from ageing and rising population the improvements in purchasing power and access to quality healthcare and pharmaceuticals to poor and middle-class families worldwide also is driving the growth of global pharma industry. Another aspect which is leading this growth is rising focus of pharmaceuticals companies to tap the rare and speciality diseases market. Innovations in advanced biologics, nucleic acid therapeutics, cell therapies and bioelectronics & implantable has attracted investments in the industry by even non-pharma companies which is also driving the global pharmaceuticals industry growth.

On the other hand, adoption of cost control policies along with tightening of rules by governments in key markets are expected to impact the growth prospect of the global pharmaceuticals industry. Pharmaceuticals companies are forced to reduce their research and development (R&D) spending due to slowdown of growth in last few years which is also expected to hamper growth of the global pharma market as new drugs revenue form large part of pharma firm's revenue due to exclusivity of the drug. Apart from these generics pharma market is facing decreasing return on investment due to price erosion in key markets which is forcing many firms to look for other avenues and markets to sustain growth.

However medicine spending in India is projected to grow 9-12% over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

Morepen is thinking out of box and targeting totally different segment of drugs, with consideration of Elagolix Sodium in GnRH Antagonist Category, Ivacaftor in Transmembrane

conductance regulator category, Febuxostat in Anti-gout category & Vortioxetine Hydrobromide in anti-depressant category. Two more drugs in Anti-depressant category namely Suvorexant & Brexpiprazole, are considered for R&D development. Three more drugs, Vonoprazan Fumarate in Anti-ulcer category, Tofogliflozin in Anti-diabetic Category & Topiroxostat in Anti-Gout category may also be considered as future pipeline.

OUTLOOK ON THREATS, RISKS AND CONCERNS

In 2019, drug pricing pressure from regulators, patients, politicians and payers will remain and aggressive negotiation tactics to drive down drug prices are expected. The drug pricing and reimbursement constraints will have the greatest negative impact on the pharmaceutical sector in the years to come. The rise of China, vertical integration and patent expiry of biologics are expected to have an adverse equal impact.

The cost containment measures such as price and reimbursement cuts are leading to tougher market conditions for drug manufacturers and shrinking profit margins. In response to these pressures, companies are reassessing their strategies and market focus. As a result, companies will need to adopt more flexible pricing strategies to maximise return on investment including negotiate earlier with payers.

Despite concerns about a trade war, it is not a surprise that China is still viewed as a huge market opportunity for the pharmaceutical industry. China has a large population with a growing middle class and it has become a leader in R&D innovation for medicine, particularly regenerative medicine and perhaps even gene editing. The big challenge that companies will face is how to best navigate the Chinese regulatory and commercial landscape.

The patent expiry of biologics will have a major impact in 2019, and it is anticipated that the immediate impact will be less than expected, particularly in the US. Although several biosimilars are now approved in the US, the pace of their subsequent launch and market growth remains slow and most biosimilars still face stiff legal battles.

Since the pharmaceutical industry needs to increase efficiency, particularly when it comes to drug development. The pharma companies losing margins and lacking the required capital to continue to run trials or testing. At the same time, Artificial Intelligence (AI) is maturing - turning the hype into more tangible use cases.

The predictive and analytic powers of AI enable companies to make smarter, faster, and more strategic decisions. AI will increase drug development efficiency by not wasting research efforts, for example creating alternative hypotheses for trials by discovering more data to enable drug repurposing. AI will be critical to the future of pharma as the amount of available data and monitoring devices increase. In the short term, it will have a real impact with its ability to collect and aggregate disparate data sets and identify patterns which in turn will generate more insights. The real potential of AI and machine learning is in enabling pharma companies to be smarter, faster, and more cost efficient.

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 department carried out audits 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

HUMAN RESOURCE MANAGEMENT

Your Company strongly believes that its human resource function is of strategic significance and works towards building a strong employee value proposition for its employees. It provides channels for exceptional career growth, superior leadership development, modern day HR practices, transparent communication, opportunities for continual learning, enhanced well-being and safety and engagement. Its traditions of fair play, equal opportunity and value chain enhancement are alive and progressing. Our professionals receive competitive salaries and benefits. The inter-personal relationship amongst workers, staff and

officers has always been pleasant and of peaceful co-existence. As on 31st March, 2019, there were 1,376 permanent employees on the rolls of the Company.

Health, safety and well-being of employees is of paramount importance at Morepen and initiatives including medical plan benefits, health coaching and awareness have been implemented during the year. Employee training and development forms a crucial part of human resource development agenda at Morepen and various interventions including trainings on plant safety and POSH have been undertaken.

Your Directors would also like to take this opportunity to express their appreciation for the hard work and commitment of the employees of the Company and look forward to their continued contribution.

KEY FINANCIAL RATIOS

Key financial parameters as on closure of the financial years on the basis of Standalone Financials are as follows;

Particulars	FY 2019	FY 2018
Debtors Turnover (days)	62	72
Inventory Turnover	5.66	5.02
Interest Coverage Ratio	14.82	7.08
Current Ratio	0.88	0.70
Debt Equity Ratio	0.47	0.49
Operating Profit Margin	4.26%	5.42%
Net Profit Margin	3.97%	4.66%

During the year, the Return on Net Worth of the Company is 10.31% as compared to the previous financial year 10.42%.

CAUTIONARY STATEMENT

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

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

For and on behalf of Board of Directors

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: New Delhi
Date: 27th July, 2019

ANNEXURE 'H'

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, 2019]

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Presently 'Corporate Governance' has evolved to mean a framework of policies, processes and practices that ensure accountability, transparency, internal controls, compliance of laws and fairness in all the dealings between management and various stakeholders of the Company. It is about commitment to the values and ethical business conduct. Corporate Governance includes the processes through which corporate objectives are set and pursued. The Board of Directors along with the management of Morepen Laboratories Limited ('Morepen') strive to practice best in class policies and processes demonstrated through discipline and rigour by which the affairs of the Company are directed and controlled. Transparency, complete disclosure, accountability, integrity, professionalism, responsiveness, fairness and trusteeship are key principles which the Company follows in its day-to day functioning. The following are the practices adopted by Morepen for the Corporate Governance:

- Providing complete, transparent, accurate and relevant disclosure/information to our shareholders, customers, vendors, employees and other stakeholders, including regulators.
- Fixing accountability of the process in-charge. This ensures the protection of interest of the minority shareholders.
- Conducting operations of the Company with integrity and ethically.
- Ensuring that appropriately qualified and experienced professionals are entrusted with the responsibility of taking critical business decisions and monitoring the implementation thereof.
- Providing timely and appropriate responses to the issues of the customers and shareholders.
- Protecting and enhancing the long-term wealth of the shareholders.

This evolves from the basic principle that the Board of Directors and management are the trustees of the shareholders and ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions. The Company conducts its affairs in compliance with the principles of Corporate Governance prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ('Listing Regulations').

2. BOARD OF DIRECTORS

Composition and Category of the Board of Directors as on 31st March, 2019

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 Board has optimum combination of Executive and Non-Executive Directors with one Woman Director, 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 six (6) Directors including two (2) Executive Directors, three (3) Non-Executive Independent Directors and one (1) Non- Executive Director.

All Independent Directors are eminent professionals bringing wide range of experience in strategy, finance and law. None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 (five) Committees across all companies in which he/ she is a Director. During the Financial Year 2018-19, the time gap between any two Board Meetings did not exceed one hundred and twenty days.

Except Mr. Sushil Suri and Mrs. Anju Suri, none of the Directors of the Company are, *inter-se,* related to each other. The Board composition, directorships and board committee positions, including that of the Company, as on 31st March, 2019 are given below:

Composition of Board of Directors of the Company is as follows:

Name of Director	Category	No. of Directorships[1]	Committee' Membership in Listed and Unlisted Companies[2]	Committee' Chairmanship in Listed and Unlisted Companies[2]
Mr. Sushil Suri	Chairman & Managing Director- Promoter & Executive Director	1	1	Nil
Mr. Manoj Joshi	Non-Executive Independent Director	1	2	2
Mr. Sukhcharan Singh	Non-Executive Independent Director	2	3	Nil
Mr. B. R. Wadhwa	Non-Executive Independent Director	2	2	1
Dr. A. K. Sinha	Whole-time Director-Executive Director	1	Nil	Nil
Mrs. Anju Suri	Promoter, Non-Executive Director	4	1	1

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

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

Except Mrs. Anju Suri, none of the aforesaid Directors are acting as Director in any other listed entity. Pursuant to provisions of SEBI (LODR) (Amendment) Regulations, 2018, the details of listed entity and category of directorship of Ms. Anju Suri is as follows;

Name of Director	Name of other listed entity wherein person acting as Director as on 31st March, 2019	Category of Directorship
Mrs. Anju Suri	Blue Coast Hotels Limited	Non-Executive Director

Disclosure regarding Appointment, Re-appointment and Resignation of Directors

1. During the year under review, Mr. Sushil Suri (DIN 00012028) was re-appointed as a Chairman & Managing Director (Executive Director) w.e.f., 20th October, 2018 to 19th October, 2023 at the Annual General Meeting held on 21st September, 2018.
2. On March 30, 2019, the Board of Directors of the Company has re-appointed Dr. Arun Kumar Sinha (DIN: 00450783) as a Whole Time Director (i.e., Executive Director), subject to approval of shareholders at this Annual General Meeting.
3. The Board of Directors of the Company in its meeting, decided to increase in the remuneration of Mr. Sushil Suri, up-to an amount of Rs. Five Crore annually, subject to approval of shareholders at this Annual General Meeting.
4. The existing term of Mr. Bhupender Raj Wadhwa, Mr. Sukhcharan Singh and Mr. Manoj Joshi will be expired on 18th September, 2019, the Board of Directors of the Company intended to re-appoint them for Second Term of 5 consecutive years, subject to approval of shareholders at this Annual General Meeting.
5. Mrs. Anju Suri, Non-Executive Director of the Company, is liable to retire by rotation at this Annual General Meeting, being eligible and offer herself for re-appointment.

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

None of the Non-Executive Directors of the Company hold any share/ convertible instruments of the Company except Mrs. Anju Suri. She holds 51,86,369 Equity Shares of the Company as on 31st March, 2019.

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

During the Financial Year 2018-19, the Board met five times i.e., on 16th May, 2018, 13th August, 2018, 01st November, 2018, 04th February, 2019 and 30th March, 2019. The Annual General Meeting ('AGM') for the financial year 2017-2018, was held on 21st September, 2018. 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	5	5	Yes
Mr. Manoj Joshi	5	5	Yes
Mr. Sukhcharan Singh	5	5	No
Mr. B. R. Wadhwa	5	5	No
Dr. A. K. Sinha	5	3	No
Mrs. Anju Suri	5	5	No

The gap between two Board meetings did not exceed one hundred and twenty days. Board meeting dates were finalised in consultation with the Directors and Notice of the meetings alongwith detailed agenda and other background notes or information, which were essential for the Board to effectively and reasonably perform their duties and functions, were circulated well in advance thereby enabling the Board to take informed decisions.

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 complying criteria of independence prescribed in clause (b) of sub-regulation (1) of regulation 16.

During the year under review a separate meeting of the Independent Directors of the Company was held on 04th February, 2019, without the presence of Non-Independent Directors and members of the Management. All the Independent Directors of the Company were present in the meeting.

The Board of Directors of the Company is in form opinion that the all three independent directors of the Company fulfil all the requirements/ conditions related to Listing Regulation and the Companies Act, 2013 and its rules made thereunder and are truly independent of the Management of the Company. During the year, there were no any Independent Director resigned before the expiry of his 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 is also available at website of the Company and can be accessed at: http://www.morepen.com/pdf/Familiarisation-Programme-for-Independent-Directors.pdf

Performance Evaluation of Board, Committees & Individual Directors

The Company, under the Performance Evaluation Policy, has laid down the process and mechanism for evaluating the performance of the Board, Committees thereof, individual Directors and Chairman of the Board. As per the requirements of the Act and the Listing Regulations, annual performance evaluation of Board, Independent Directors, Non-Executive Director, Executive Director, Committees and Chairman of the Board is required to be carried out during a year. Such evaluation has been carried out as per Director's Performance Evaluation Policy during the financial year ended 31st March, 2019.

Details of skills/expertise/competence of Board of Directors

The Directors of the Company have rich and diversified experience in the fields of managerial entrepreneurship, management, administration, pharmaceuticals, banking, finance and taxation.

The core competencies of each Director has been identified by the Board of Directors as required in the context of Company' business and pharmaceutical sector for an efficient functioning and growth.

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
01	Mr. Manoj Joshi	Non-Executive Independent Director	Chairman
02	Mr. Bhupender Raj Wadhwa	Non-Executive Independent Director	Member
03	Mr. Sukhcharan Singh	Non-Executive Independent Director	Member

All the members of the Committee are financially literate *i.e.*, have the ability to read and understand financial statements. Provided 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 Internal Auditors 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 meetings were held *i.e.*, on 16th May, 2018, 13th August, 2018, 01st November, 2018 and 04th February, 2019. The attendance of members are as follows:

S. No.	Name of the Committee' member	No. of meetings held during the year	Attendance
1.	Mr. Manoj Joshi	4	4
2.	Mr. Sukhcharan Singh	4	4
3.	Mr. B. R. Wadhwa	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 the shareholder's 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, and includes the following:

- Examination and overseeing of Company's financial reporting process and the disclosure of its financial information;
- Recommending to the Board, the appointment, reappointment, remuneration/audit fees, terms of appointment and removal, as and when required, of the statutory and internal auditors of the Company;
- Approving or any subsequent modification of transactions of the Company with related parties;
- Reviewing the annual Financial Statements with the Management, before submission to the Board for approval, with particular reference to:
  a) changes, if any, in accounting policies and practices and reasons for the same;
  b) major accounting entries involving estimates based on the exercise of judgment by management;
  c) significant adjustments made in the financial statements arising out of audit findings;
  d) compliance with listing and other legal requirements relating to Financial Statements;
  e) disclosure of any related party transactions.
- Reviewing the matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134 of the Act;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue, the statement of funds utilized and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing the Internal Audit Report presented by the internal auditors including the independence, adequacy and effectiveness of the overall internal audit function and evaluation of the external and internal auditors;
- Reviewing any internal investigations by the internal auditors into areas of suspected fraud or irregularity of a material nature and reporting the matter to the Board;
- Reviewing and evaluating internal financial controls, adequacy of the internal control and risk management systems;
- Reviewing the functioning of the Whistle Blower Mechanism; Assess the causes for substantial defaults in payment to the depositors, creditors and shareholders (for unpaid dividend, if any);
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc.;
- Any other matters as may be mentioned in the terms of reference of the Audit Committee. The Audit Committee provides assurance related to the adequacy of internal control system, financial performance and disclosures to the Board.

4. NOMINATION AND REMUNERATION COMMITTEE

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

Composition of the Committee

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

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

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

Meetings and attendance during the year:

During the period under review, five meetings of Nomination and Remuneration Committee were held i.e., on 16th May, 2018, 13th August, 2018, 01st November, 2018, 04th February, 2019 and 30th March, 2019. The attendance of members are as follows:

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

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

Brief terms of reference of the Nomination and Remuneration Committee

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

- Formation of criteria for determining qualification, positive attributes and independence of Directors; Recommendation of the remuneration policy for the Directors, Key Managerial Personnel, and other senior management personnel to the Board;
- Formulation of criteria for evaluation of Directors, the Board and the Committees thereof; Recommendation of remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria and commissions to Non-Executive Directors;
- 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.

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, within the limits set out thereunder, Articles of Association of the Company and as per the Nomination and Remuneration Policy of the Company. Nomination and Remuneration Policy of the Company is aimed at:

- Identifying persons who are qualified to become Directors and persons who may be appointed at senior management and Key Managerial positions;

- Attracting talented managerial persons taking into account the talent market, the remuneration trend and the competitive requirement of the business;
- Retaining high-calibre talent; and
- Determining remuneration of Directors and Key Managerial Personnel.

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

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

(₹ in Lakh)

Name of Director	Salary	Perks	Commission	Sitting Fee	Total
Mr. Sushil Suri	109.33	11.86	–	–	121.19
Dr. A. K. Sinha	6.00	–	–	–	6.00

Independent Directors are paid by way of sitting fees for attending meetings of the Board & Committees thereof. Details of sitting fee paid to Non- Executive Directors of the Company, during the year under review are as under;

Name of Director	Sitting Fee (₹ in Lakh)
Mr. Manoj Joshi	2.05
Mr. Sukhcharan Singh	1.90
Mr. B. R. Wadhwa	1.70
Mrs. Anju Suri	Nil

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

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

Composition of the Committee:

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

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

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

Role of Stakeholders' Relationship Committee

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

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

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

Communication by Shareholder's holding shares in demat mode should address their correspondences relating to updates in their details, viz., address, bank accounts, contact number, etc. to their respective Depository Participants. The Company has also send communication to the shareholders for updation of PAN and Bank Accounts details etc., in compliance of SEBI Circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 and amendment thereto.

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 also to provide their email addresses and telephone numbers to facilitate prompt response from the Company.

The Shareholders are also informed that pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, dated 8th June 2018, which provided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. After extension of applicability, it is mandatory to have shares in dematerialized form for effecting transfer of shares *w.e.f.*, 1st April, 2019

SEBI Complaints Redressal System (SCORES):

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

The Company has received 15 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. As on 31st March, 2019, one investor complaint was outstanding/pending, which has been resolved as on signing of this Directors Report.

7. 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:

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

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

Role of Corporate Social Responsibility Committee

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

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

During the year two meetings of the Corporate Social Responsibility Committee were held on i.e., 16th May, 2018 and 04th February, 2019. The requisite quorum was present at both the meetings. Further, Mr. Vipul Kumar Srivastava, Company Secretary of the Company acts as the Secretary of the Committee.

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

8. 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
2017-18	21.09.2018 at 10.30 a.m.	Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh	–
2016-17	22.09.2017 at 10.30 a.m.	Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh	–
2015-16	23.09.2016 at 10:30 a. m.	Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh	–

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

9. MEANS OF COMMUNICATION

Financial Results: The results (quarterly and yearly) of the Company are published within 48 hours in 'Financial Express' (English) and 'Jansatta' (Hindi) newspapers within 48 hours of approval thereof and shall also be posted on Company's website viz., www.morepen.com

Annual Report: The Company has sent Annual Reports, notices, and other communications to the shareholders electronically on their email IDs as registered in the depository system. Physical copies of such communications are sent to other shareholders, whose email IDs are not registered in depository system, through the prescribed modes of postage.

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

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

10. GENERAL SHAREHOLDER INFORMATION

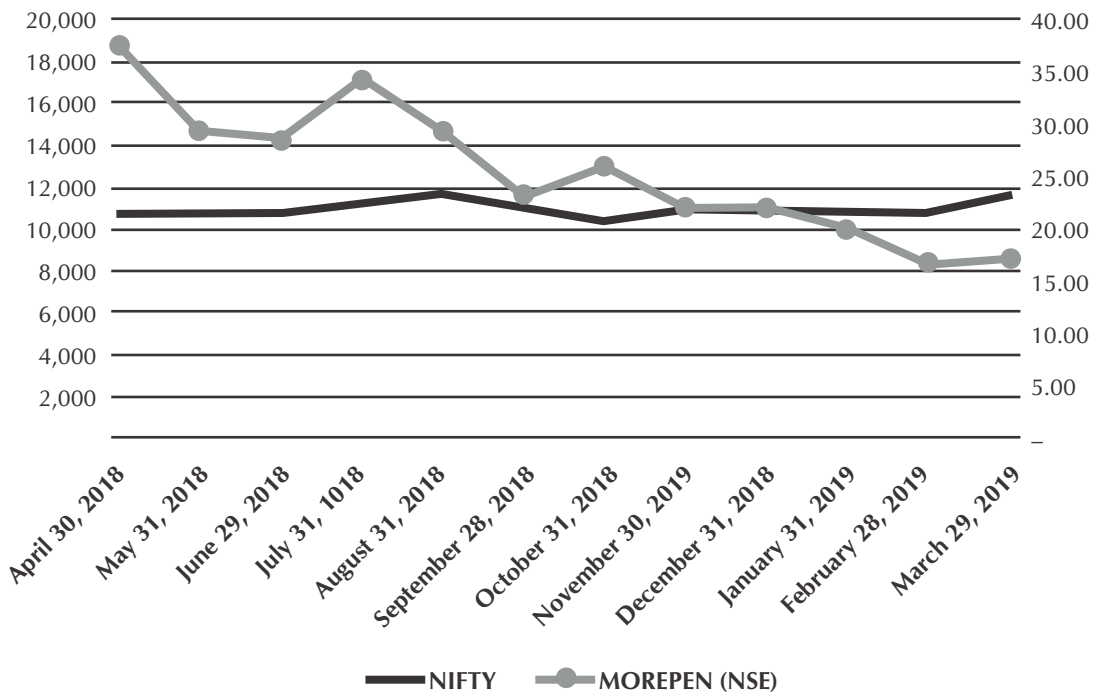
a)	Date, Time and Venue of Annual General Meeting (AGM)	Friday, 13th September, 2019 at 10:00 a.m. at Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh – 173 205			
b)	Financial Year	1st April, 2018 to 31st March, 2019			
c)	Date of Book Closure	The dates of book closure will be from Saturday, 7th September, 2019 to Friday 13th September, 2019 (both days inclusive) for AGM. The Board of Directors of the Company has not recommended dividend for the financial year ended 31st March, 2019.			
d)	Stock Exchanges	**National Stock Exchange of India Limited (NSE)** Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 **BSE Limited (BSE)** Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Listing fees for the year 2019-20 has been duly paid to NSE & BSE.			
e)	Stock code	**NSE**		**BSE**	
		Symbol	MOREPENLAB	**Scrip Code**	500288
		ISIN No.	INE083A01026	**ISIN No.**	INE083A01026
		RIC Code	Morl.ns	**RIC Code**	Morl.ns

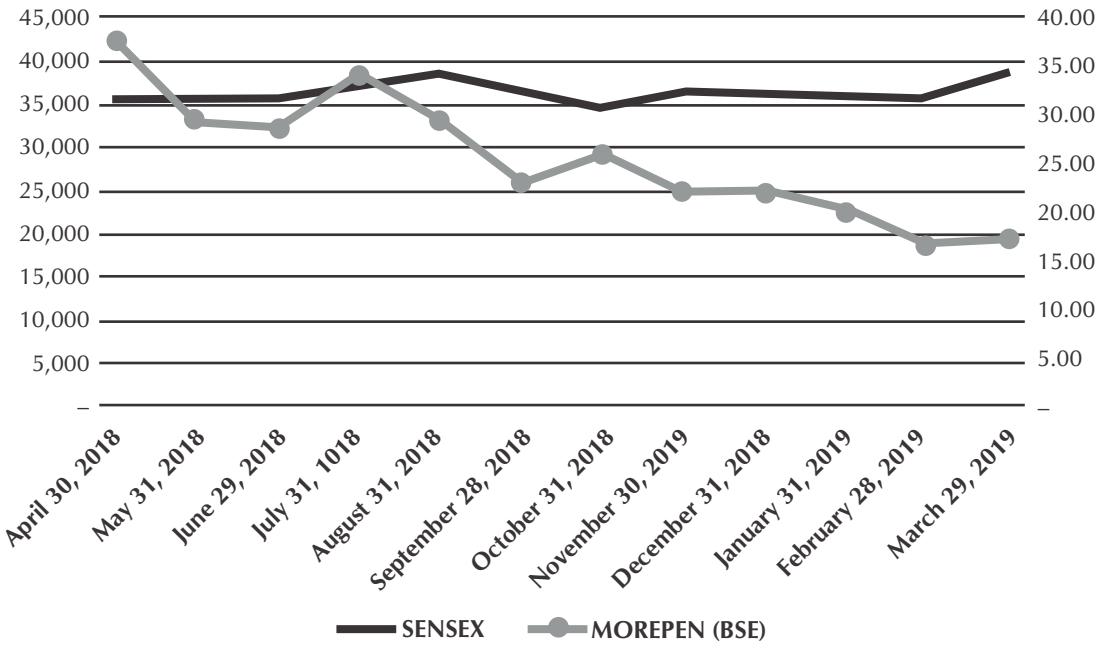
f) **Market Price Data:**

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-18	41.30	31.00	41.35	31.00
May-18	38.15	26.25	38.25	26.15
Jun-18	33.95	24.70	34.00	24.70
Jul-18	37.10	25.50	37.10	25.60
Aug-18	36.25	27.65	36.30	27.50
Sep-18	30.35	23.05	30.35	23.15
Oct-18	26.95	19.20	26.90	18.80
Nov-18	27.80	21.50	26.60	21.50
Dec-18	24.40	19.50	24.40	19.25
Jan-19	22.35	19.30	22.45	19.50
Feb-19	20.40	14.70	20.45	14.55
Mar-19	20.15	16.60	20.20	16.55

(***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**

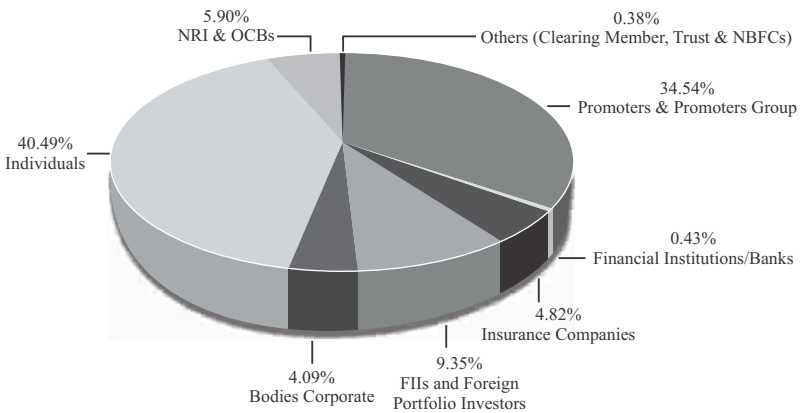
i) Share Transfer System

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 transfer, 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, 2019**

Category of Shareholdings From – To	No. of shareholders	% of shareholders	Total Shares	Amount (Rs.)	% of total Amount
1 - 5,000	1,24,645	91.30	7,68,46,390	15,36,92,780	17.08
5,001 - 10,000	6,995	5.12	2,48,74,727	4,97,49,454	5.53
10,001 - 20,000	2,782	2.03	2,03,54,352	4,07,08,704	4.52
20,001 - 30,000	788	0.57	99,27,663	1,98,55,326	2.21
30,001 - 40,000	375	0.27	66,70,776	1,33,41,552	1.48
40,001 - 50,000	215	0.15	49,28,427	98,56,854	1.10
50,001 - 1,00,000	405	0.29	1,43,36,828	2,86,73,656	3.19
1,00,001 and above	312	0.22	29,18,87,040	58,37,74,080	64.89
Total	**1,36,517**	**100.00**	**44,98,26,203**	**89,96,52,406**	**100.00**

Category	No. of shares held	Shareholding (%)
Promoters & Promoters Group	15,53,71,588	34.54
Financial Institutions/Banks	19,45,445	0.43
Insurance Companies	2,16,64,879	4.82
FIIs and Foreign Portfolio Investors	4,20,57,700	9.35
Bodies Corporate	1,83,86,091	4.09
Individuals	18,21,38,664	40.49
NRI & OCBs	2,65,33,998	5.90
Others (Clearing Member, Trust & NBFCs)	17,27,838	0.38
Total	**44,98,26,203**	**100.00**



k) Dematerialization of Shares and Liquidity

The Equity Shares of the Company are in compulsory de-mat segment and are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. The ISIN Number of Company on both the NSDL and CDSL is INE083A01026. As on 31st March, 2019, 37,93,43,404 Equity Shares of ₹ 2/- each (84.33%) are held in electronic/de-mat form.

l) **Outstanding GDRS/ADRS/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity:**

Type of Security	Date of Conversion	Likely impact on Equity
97,35,201 - 0.01% Optionally Convertible Preference Shares (OCPS)	Optionally Convertible into Equity Shares at the end of 7 years from the respective date of its allotment.	The impact on equity would be determined only at the time of conversion of Preference Shares into Equity.
The above shares have been allotted as per the following details: i. 70,40,276 allotted on May 4, 2007; ii. 17,62,000 allotted on May 31, 2007; and iii. 9,32,925 allotted on February 9, 2008	97,35,201 0.01% OCPS have fallen due for redemption/conversion as follows: i. 70,40,276 due on May 4, 2014; and ii. 17,62,000 due on May 31, 2014; iii. 9,32,925 due on February 9, 2015	The Equity Shares, if opted, would be allotted at a price determined as per the provisions of SEBI (ICDR) Regulations, 2009 and other laws as may be applicable.

m) Commodity price risk or foreign exchange risk and hedging activities

The Company is not engaged in commodity trading, hedging or exchange risk management activities.

n) Plant Locations

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

o)	Address for correspondence	**Registered Office:** Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh - 173 205 Tel No.: 01795 - 276201/02/03; Fax No.: 01795 - 276204 Email id: **investors@morepen.com**; Website: **www.morepen.com** **Corporate Office:** 409, Antriksh Bhawan, 22, K.G. Marg, New Delhi - 110 001 Tel No.: 011 - 2332 4443/2371 2025 Fax No.: 011 - 2372 2422 Email id: **investors@morepen.com**; Website: **www.morepen.com** **Investor Correspondence (RTA):** **MAS Services Ltd.** ***Unit: Morepen Laboratories Limited*** T-34, 2nd Floor, Okhla Industrial Area, Ph. - II, New Delhi - 110 020 Tel No.: 011 - 2638 7281/82/83; Fax No.: 011 - 2638 7281 Email id: **info@masserv.com**; Website: **www.masserv.com**
p)	Credit Rating	The Company didn't issue any debt instruments or any fixed deposit or have any scheme or proposal involving mobilization of funds, whether in India or abroad, therefore, there is no need to have credit rating(s) from any Credit Rating Agencies, during the relevant financial year.

11. 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

12. 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.

13. 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 2018-19 which are considered to have potential conflict with the interests of the Company at large. Particulars and nature of transactions with the related parties in summary form, duly reviewed by Audit Committee, be entered into during the year ended 31st March, 2019, 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 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 and consequently no penalties or strictures have been imposed on the Company by any of these authorities.

However, pursuant to Corporate Debt Restructuring Scheme approved by the CDR cell, there were Equity Shares allotted to the lenders of the Company in satisfaction of their outstanding debts. Out of which, 3,75,750 Equity Shares are yet to be listed and the Company has approached to Stock Exchange(s) and SEBI to list those shares. The application is pending with authorities.

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

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

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

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

g) Disclosures related commodity price risks and commodity hedging activities

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

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

The Company has not raised any funds through preferential allotment or qualified institutional placement during the year under review.

i) 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 any instance wherein the Board had not accepted any recommendation of any committee of the board which is mandatorily required, during the financial year. The Board had considered all the recommendation of / submissions of the Committee before passing any resolution.

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

Total fees paid to Statutory Auditors for all services provided to the Company and its subsidiaries, on a consolidated basis, are disclosed in Note No. 29 of the Consolidated Financial Statements. The firm of Statutory Auditors does not have any network firm/network entity of which the Statutory Auditors are a part.

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

(i) number of complaints filed during the financial year- NIL

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

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

m) Disclosure related to compliance related to Corporate Governance

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

Out of discretionary requirements prescribed under Part-E of Schedule II of Listing Regulations, the Company has adopted requirement of unmodified audit opinion, reporting of internal auditors directly to the Audit Committee.

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, 2019.

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 and Chief Financial Officer certificates for the financial year ended 31st March, 2019.

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) (Amendment) Regulations, 2018.

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.

14. 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 1st April, 2018	4,885	54,16,993
Number of shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the year	26	30,802
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	25	29,145
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31st March, 2019	4,860	53,87,848

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

For Morepen Laboratories Limited

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: New Delhi
Date: 27th July, 2019

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, 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, 2019.

For Morepen Laboratories Limited

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: New Delhi
Date: 27th July, 2019

CERTIFICATE FROM PRACTICING COMPANY SECRETARY

(Pursuant to clause 10(i) of Schedule V to SEBI
(Listing Obligations and Disclosure Requirements), Regulations 2015)

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

For PD and Associates
Company Secretaries

CS Praveen Dua
Proprietor
C.P. No.2139

Place: New Delhi
Date: 27th July, 2019

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

To,

The Shareholders / Members,
Morepen Laboratories Limited

We have examined the compliance of conditions of Corporate Governance by Morepen Laboratories Limited ('the Company') for the financial year ended on 31st March, 2019 as stipulated in Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') of the Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, of the above mentioned Listing Agreement.

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, 2019, no investor grievance is pending against the Company for a period exceeding one month as per the records maintained by the Company which are presented to the Stakeholders Relationship Committee (Shareholders/Investor Grievance Committee).

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

For PD and Associates
Company Secretaries

CS Praveen Dua
Proprietor
C.P. No.2139

Place: New Delhi
Date: 27th July, 2019

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

To,

The Board of Directors/Audit Committee
Morepen Laboratories Limited

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

a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2019 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit committee

   i. significant changes in internal control over financial reporting during the year;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Morepen Laboratories Limited

Ajay Sharma
(Chief Financial Officer)

For Morepen Laboratories Limited

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Place: New Delhi
Date: 4th May, 2019

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 31st March, 2019, 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 Company as at 31st March, 2019, 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.

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	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 4th August, 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 the company shall pay the outstanding amount as per the scheme approved by the Company Law Board (CLB). On an appeal preferred by the company against the said order of NCLT, the Hon'ble National Company Law Appellate Tribunal (NCLAT) stayed the direction of NCLT and reserved the order for judgment after hearing the matter. Refer Note. No. 20 and 38(d) to the standalone financial statements.	**Principal Audit Procedures** We collected the following documents: - Scheme approved by the Company Law Board (CLB) dated 19th August, 2003. - Scheme of Arrangement & Compromise under Section 391 of the Companies Act, 1956 approved by the Hon'ble High Court of Himachal Pradesh dated 4th August, 2009. - Judgment of Hon'ble NCLT dated 12th March 2018 dismissing the Company's petition seeking approval of the Scheme of arrangement with the Fixed Deposit holder. - Copy of order of Hon'ble National Company Law Appellate Tribunal dated 27th April 2018 staying the direction issued by Hon'ble NCLT in its order dated 12th March 2018. - Copy of order of Hon'ble National Company Law Appellate Tribunal (NCLAT) dated 8th April 2019 reserving the order for judgement. We read and analysed the above orders/judgments. The outcome of the judgement may impact financials of the company.

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)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures and whether the standalone financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of accounts.

   d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.

   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      (ii) The Company did not have any long term contracts including derivate contracts.

      (iii) During the year, the company was not liable to transfer any amount to the Investor Education and Protection Fund.

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

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

Date : 4th May, 2019
Place : New Delhi

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, 2019.)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

(b) According to the information and explanation given to us, the Company has a regular programe of physical verification of its fixed assets. In our opinion, the frequency of physical verification is reasonable having regard to the size and the nature of its assets. As, informed to us, the discrepancies noticed on such verification are not material and have been properly dealt with in the books of accounts.

(c) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the title deeds of immovable property are held in the name of the Company.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013(the "Act"). Hence provision of this clause is not applicable.

(iv) According to the information and explanations given to us and based on audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security, the company has complied with the provisions of section 185 and 186 of the Act.

(v) During the financial year ended 31st March, 2010, pursuant to a Scheme of Arrangement & Compromise under Section 391 of the Companies Act, 1956 approved by the Hon'ble High Court of Himachal Pradesh vide its Order dated 4th August, 2009 the Company allotted 9,24,90,413 Equity Shares to the fixed deposit holders in settlement of their dues. On an appeal filed against the said Order by the Central Government, the Hon'ble Division Bench of the Hon'ble High Court of Himachal Pradesh remanded the matter back to single judge for considering the representation of central government and deciding the matter afresh. The matter was later transferred to Hon'ble National Company Law Tribunal (NCLT), Chandigarh. The Hon'ble NCLT vide its judgment dated 12th March, 2018 dismissed the Company's petition seeking approval of the Scheme of arrangement with the Fixed Deposit holders. However, Hon'ble NCLT further 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. It directed the company that it shall pay the outstanding amount as per the scheme approved by the Company Law Board (CLB) to the original FD holders (except to those who have since traded/transferred the shares allotted to them). The Company had filed an appeal before the Hon'ble National Company Law Appellate Tribunal (NCLAT) at New Delhi against the order dated 12th March, 2018 of the Hon'ble NCLT, Chandigarh. The Hon'ble NCLAT while issuing notice to the respondents has stayed the operation of the impugned order dated 12th March, 2018. The Hon'ble National Company Law Appellate Tribunal (NCLAT) after hearing the matter has reserved the order for judgment. Pending disposal of the company's appeal before Hon'ble NCLAT, the liability towards deposit holders, if any, is not ascertained. (Refer Note. No. 38(d) to the standalone financial statements).

(vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the company's products to which the said rules are made applicable and that prima facie, the prescribed cost records have been made and maintained. However we have not carried out detailed examination of the records with a view to determine whether these are accurate and complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, during the year, the company is regular in depositing amount deducted /accrued in respect of undisputed statutory dues including duty of custom, duty of excise, cess with the appropriate authorities. However the company is not regular in depositing the dues of Employee's State Insurance, Provident fund, Income Tax (TDS), Goods and Services Tax (GST).

According to the records and information and explanations given to us, the following statutory dues were in arrears as on 31st March, 2019 for a period of more than six months from the date they became payable-

Nature	Year	Outstanding since	Amount (₹)
Fringe benefit tax	A.Y. 2009-10	31.03.2011	13,87,035

(b) According to the information provided to us, the following duties of excise have not been deposited by the company on account of disputes:

Name of the statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty, Penalty, Interest	73,66,645	June 2004 to July 2008	CESTAT-Chandigarh
Central Excise Act, 1944	Excise duty, Penalty, Interest	76,12,753	June 2004 to March 2009	CESTAT-Chandigarh
Central Excise Act, 1944	Excise duty, Penalty, Interest	87,736	December 2008 to March 2009	CESTAT-Chandigarh
Central Excise Act, 1944	Excise duty, Penalty, Interest	13,97,264	April 2009 to March 2010	CESTAT-Chandigarh
Central Excise Act, 1944	Excise duty, Penalty, Interest	1,68,325	April 2009 to March 2010	CESTAT-Chandigarh
Central Excise Act, 1944	Excise duty, Penalty, Interest	2,10,949	April 2010 to September 2010	CESTAT-Chandigarh
Central Excise Act, 1944	Excise duty, Interest	7,64,251	April 2010 to December 2010	CESTAT-Chandigarh
Central Excise Act, 1944	Excise duty, Interest	28,17,881	January 2011 to June 2015	CESTAT-Chandigarh
Central Excise Act, 1944	Excise duty, Interest	14,06,727	July 2015 to June 2017	Commissioner of Appeal - Chandigarh

(viii) According to the information and explanations given to us by the management, the company has not defaulted in repayment of loans or interest to Banks/FIs.

(ix) According to the information and explanations given to us and based on our examination of the records of the company, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) and/or term loan during the year.

(x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) According to the information and explanations given to us and on the basis of our verification of books of accounts of the company, the company has paid/provided for Managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V of the Act.

(xii) In our opinion and according to information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 & 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or convertible debentures during the year under review. Accordingly, the provision of clause 3(xiv) of the Order are not applicable to the company.

(xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non- cash transaction with directors or person connected with them during the year. Accordingly, the provision of clause 3(xv) of the Order are not applicable to the company.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Date : 4th May, 2019
Place : New Delhi

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 2019)

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 31st March, 2019 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 included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

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

Date : 4th May, 2019
Place : New Delhi

Balance Sheet

As at 31st March, 2019

(₹ in Lakhs)

	Note No.	As at 31.03.2019	As at 31.03.2018
A ASSETS			
1. NON-CURRENT ASSETS			
Property, Plant and Equipment	2	**14542.65**	17013.84
Goodwill	2	**0.56**	1.12
Other Intangible Assets	2	**716.13**	1195.24
Financial Assets :			
Investments	3	**11769.48**	11769.48
Loans	4	**4.14**	2.05
Other Non-Current Assets	5	**6573.16**	6372.15
		33606.12	36353.88
2. CURRENT ASSETS			
Inventories	6	**9084.16**	7394.46
Financial Assets :			
Investments	7	**2.25**	21.78
Trade Receivables	8	**12196.49**	11022.27
Cash and Cash Equivalents	9	**935.82**	546.69
Bank Balances other than Cash and Cash Equivalents	10	**2261.71**	23.38
Loans	4	**34.71**	44.66
Other Financial Assets	11	**26.31**	10.10
Other Current Assets	12	**3791.32**	3647.42
		28332.77	22710.76
Total		**61938.89**	59064.64
B EQUITY AND LIABILITIES			
1. EQUITY			
Equity Share Capital	13	**8995.86**	8995.86
Other Equity		**18749.80**	16060.26
		27745.66	25056.12
2. NON - CURRENT LIABILITIES			
Financial Liabilties :			
Borrowings	14	**179.15**	269.69
Other Financial Liabilities	15	**146.39**	172.39
Provisions	16	**1785.48**	1345.30
		2111.02	1787.38
3. CURRENT LIABILITIES			
Financial Liabilties :			
Borrowings	14	**898.97**	-
Trade Payables	17	**15707.84**	16489.21
Other Financial liabilities	18	**14625.37**	15238.75
Other Current Liabilties	19	**735.98**	366.74
Provisions	16	**114.05**	126.44
		32082.21	32221.14
TOTAL		**61938.89**	59064.64
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-39		

As per our separate report of even date

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

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

Place : New Delhi
Date : 4th May, 2019

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

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Ajay Sharma)
Chief Financial Officer

(Manoj Joshi)
Director
DIN : 00036546

(Vipul Kumar Srivastava)
Company Secretary

Statement of Profit and Loss

For the Year Ended 31st March, 2019

(₹ in Lakhs)

	Note No.	Year Ended 31.03.2019	Year Ended 31.03.2018
REVENUE			
Revenue from Operations (Net)	21	**71724.29**	56083.04
Other Income	22	**367.18**	354.01
Total Income (I)		**72091.47**	56437.05
EXPENSES			
Cost of Materials Consumed	23	**34308.09**	22052.65
Purchases of Stock-in-Trade	24	**14274.29**	11782.66
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	**(1946.01)**	424.49
Employee Benefits Expense	26	**8474.24**	6821.90
Finance Costs	27	**207.08**	429.46
Depreciation and Amortization Expense	2	**3800.78**	3339.95
Other Expenses	28	**10111.64**	8974.42
Total Expenses (II)		**69230.11**	53825.53
Profit before Tax		**2861.36**	2611.52
Tax Expense			
Tax		**(212.70)**	-
Tax Credit Entitlement		**212.70**	-
Profit for the Year (III)		**2861.36**	2611.52
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss		**(171.82)**	10.95
Tax		**37.03**	-
Tax Credit Entitlement		**(37.03)**	-
Other Comprehensive Income for the Year (Net of Tax) (IV)		**(171.82)**	10.95
Total Comprehensive Income for the Year (III + IV)		**2689.54**	2622.47
Earning per equity share (Face Value of Rs. 2/- each)	34		
(1) Basic		**0.64**	0.58
(2) Diluted		**0.64**	0.58
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-39		

As per our separate report of even date

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

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

Place : New Delhi
Date : 4th May, 2019

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

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Ajay Sharma)
Chief Financial Officer

(Manoj Joshi)
Director
DIN : 00036546

(Vipul Kumar Srivastava)
Company Secretary

Cash Flow Statement

For the Year Ended 31st March, 2019

(₹ in Lakhs)

		Note No.	Year Ended 31.03.2019	Year Ended 31.03.2018
A.	**CASH FLOWS FROM OPERATING ACTIVITIES :**			
	Profit before Tax		**2861.36**	2611.52
	Adjustments for :			
	Depreciation & Amortisation	2	**3800.78**	3339.95
	(Profit)/Loss on Sale of Property, Plant & Equipments		**0.06**	5.50
	Provision for Employee benefit		**(171.82)**	10.95
	Finance Cost	27	**207.08**	429.46
	Operating Profit before changes in Current Assets and Liabilities		**6697.46**	6397.38
	Changes in Current Assets and Liabilities -			
	Trade Receivables	8	**(1174.23)**	(2712.30)
	Loans, Bank balance other than cash & Cash equivalent and other Current Assets	4,10,11,12	**(2388.49)**	(1413.91)
	Inventories	6	**(1689.70)**	(1144.77)
	Current Liabilities	16,17,18,19	**12.84**	4998.64
	Cash generated from Operations		**1457.88**	6125.04
	Tax Expense (Net)		**-**	-
	NET CASH GENERATED FROM OPERATING ACTIVITIES		**1457.88**	6125.04
B.	**CASH FLOWS FROM INVESTING ACTIVITIES:**			
	Purchase of Property, Plant & Equipments	2	**(849.97)**	(1030.85)
	Purchase/Addition of Intangibles (Net)		**(1.80)**	(1397.14)
	Proceeds from Sale of Property, Plant & Equipments		**1.80**	1.58
	Sales/(Purchase) of Investments (Net)	7	**19.53**	(21.78)
	Investment in Other Non-Current Assets	4,5	**(203.10)**	20.66
	NET CASH USED IN INVESTING ACTIVITIES		**(1033.54)**	(2427.54)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES:**			
	Finance Cost	27	**(207.08)**	(429.46)
	Proceeds (Repayments) of Long Term Borrowings (Net)	14	**(1141.28)**	(3420.74)
	Proceeds (Repayments) of Short Term Borrowings (Net)	14	**898.97**	-
	Change in Other Non- Current Liabilities & Provisions (Net)	15,16	**414.18**	83.49
	NET CASH USED IN FINANCING ACTIVITIES		**(35.21)**	(3766.71)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)		**389.13**	(69.20)
	Cash and Cash Equivalents as at Begining of the Year		**546.69**	615.89
	Cash and Cash Equivalents as at End of the Year		**935.82**	546.69
	Bank Balances other than Cash and Cash Equivalents		**2261.71**	23.38
	SIGNIFICANT ACCOUNTING POLICIES	1		
	NOTES ON FINANCIAL STATEMENTS	2-39		

As per our separate report of even date

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

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

Place : New Delhi
Date : 4th May, 2019

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

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Ajay Sharma)
Chief Financial Officer

(Manoj Joshi)
Director
DIN : 00036546

(Vipul Kumar Srivastava)
Company Secretary

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March, 2019

A. EQUITY SHARE CAPITAL

Balance as at 1st April, 2018	Change in equity share capital during the year	Balance as at 31st March, 2019
8995.86	-	8995.86

B. OTHER EQUITY

	RESERVES & SURPLUS				Other items of other comprehensive income	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings		
Balance as at 1st April, 2018	270.40	7123.33	16740.51	(8023.25)	(50.73)	16060.26
Profit for the year	-	-	-	2861.36	-	2861.36
Other comprehensive income/(loss) for the year	-	-	-	-	(171.82)	(171.82)
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**2,861.36**	**(171.82)**	**2689.54**
Balance as at 31st March, 2019	**270.40**	**7123.33**	**16740.51**	**(5161.89)**	**(222.55)**	**18749.80**

SIGNIFICANT ACCOUNTING POLICIES	1
NOTES ON FINANCIAL STATEMENTS	2-39

As per our separate report of even date

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

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

Place : New Delhi
Date : 4th May, 2019

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

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Manoj Joshi)
Director
DIN : 00036546

(Ajay Sharma)
Chief Financial Officer

(Vipul Kumar Srivastava)
Company Secretary

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1.0 Company Overview

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

1.1 Basis for preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act'') and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on 04th May, 2019.

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.

ii) Subsequent measurement

a) **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

d) **Investments in subsidiaries, joint ventures and associates**

The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

e) **Financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

iv) Fair value measurement of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

2.1 Impairment of Assets

i) Financial Assets

In accordance with Ind AS 109, the company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

ii) Non-Financial Assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

2.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

a) Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is net of returns, trade discounts, Goods and Services Tax (GST).

Provisions for rebates, discount and return are estimated and provided for in the year of sales and recorded as reduction of revenue.

b) Dividend income is accounted for when the right to receive the income is established.

2.3 Interest

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts

the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.4 Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit 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.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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, 2019

2. I) PROPERTY, PLANT AND EQUIPMENT

TANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTIZATION				CARRYING VALUE	
	As at 01.04.2018	Additions	(Disposals)/ Adjustments	**As at 31.03.2019**	As at 01.04.2018	For the year	Deductions/ Adjustments	**As at 31.03.2019**	**As at 31.03.2019**	As at 31.03.2018
Land	143.03	-	-	**143.03**	-	-	-	**-**	**143.03**	143.03
Buildings	7385.97	64.06	-	**7450.03**	3296.03	178.83	-	**3474.86**	**3975.17**	4089.94
Plant & Machinery	78766.73	710.56	(12150.61)*	**67326.68**	66555.80	3032.32	(12150.61)	**57437.51**	**9889.17**	12210.93
Furnitures & Fixtures	285.08	29.20	-	**314.28**	246.88	5.68	-	**252.56**	**61.72**	38.20
Vehicles	665.98	2.92	(17.32)	**651.58**	211.41	68.73	(15.46)	**264.68**	**386.90**	454.57
Office Equipments	238.93	43.23	-	**282.16**	161.76	33.74	-	**195.50**	**86.66**	77.17
Total	87485.72	849.97	(12167.93)	**76167.76**	70471.88	3319.30	(12166.07)	**61625.11**	**14542.65**	17013.84
Previous Year	92078.51	1030.85	(5623.64)	87485.72	72993.78	3094.66	(5616.56)	70471.88	17013.84	-
II) GOODWILL										
Goodwill	2.80	-	-	**2.80**	1.68	0.56	-	**2.24**	**0.56**	1.12
Total	2.80	-	-	**2.80**	1.68	0.56	-	**2.24**	**0.56**	1.12
Previous Year	2.80	-	-	2.80	1.12	0.56	-	1.68	1.12	
III) OTHER INTANGIBLE ASSETS										
Computer Software	196.45	1.80	-	**198.25**	121.61	27.08	-	**148.69**	**49.57**	74.84
Customer Acquisition Cost	1345.05	-	-	**1345.05**	224.65	453.84	-	**678.49**	**666.56**	1120.40
Total	1541.50	1.80	-	**1543.30**	346.26	480.92	-	**827.18**	**716.13**	1195.24
Previous Year	144.36	1397.14	-	1541.50	101.53	244.73	-	346.26	1195.24	-
GRAND TOTAL										
Current year	89030.02	851.77	(12167.93)	**77713.87**	70819.82	3800.78	(12166.07)	**62454.53**	**15259.34**	18210.20
Previous Year	92225.67	2427.99	(5623.64)	89030.02	73096.43	3339.95	(5616.56)	70819.82	18210.20	

Note : 1) Customer Acquisition Cost represents amount spent for the expansion of product market and increase in customer reach.

2) * Old machinery no longer in use, depreciated and written off during the year.

(₹ in Lakhs)

	As at 31.03.2019	As at 31.03.2018
3. INVESTMENTS (NON-CURRENT)		
Trade Investments (At Cost)		
Investment in Equity Instruments (Unquoted)		
Subsidiary Companies		
i) Dr. Morepen Limited		
4,06,79,500 (Previous Year 4,06,79,500) Equity shares of Rs.10/- each fully paid up	**11747.25**	11747.25
ii) Morepen Inc.		
9,400 (Previous Year 9,400) fully paid Shares of Common Voting Stocks	**22.23**	22.23
	11769.48	11769.48
Aggregate amount of unquoted investments (At Cost)	**11769.48**	11769.48
Aggregate amount of provision for fall in carrying value of investments	**-**	-
Provision for fall in carrying value of investments, in respect of losses in the subsidiaries has not been made, as these losses, in management's perception, are temporary in nature.		

4. LOANS

	Current Portion		Non Current Portion	
	As at 31.03.19	As at 31.03.18	**As at 31.03.19**	As at 31.03.18
Unsecured				
(Considred good)				
Financial Assets at amortised cost				
Loans to Employees	**34.71**	44.66	**4.14**	2.05
	34.71	44.66	**4.14**	2.05

5. OTHER NON CURRENT ASSETS

Unsecured		
Capital Advances (Considered good) *	**5790.08**	5790.08
Leasehold Land Prepayments	**25.34**	25.70
Prepaid (Deffered)Expenses for Employee Benefit	**2.57**	1.16
Security Deposits	**203.27**	186.35
Due from Income Tax Department	**551.90**	368.86
	6573.16	6372.15

Includes-*

₹ 5771.27 Lakhs (Previous year ₹ 5771.27 Lakhs) advanced for the acquisition/ new business opportunity and buyout of new brands. The company expects to complete the transaction in the year's time.

6. INVENTORIES

Raw Materials	**3747.92**	4005.01
Work-in-progress	**2192.57**	1450.72
Finished goods	**1839.68**	727.11
Stock -in-trade	**1131.55**	1035.01
Goods in transit	**2.83**	2.05
Stores and spares	**169.61**	174.56
	9084.16	7394.46

(₹ in Lakhs)

	As at 31.03.2019	As at 31.03.2018
The inventory of stocks, stores and spares has been taken, valued and certified by the management.		
Breakup of Inventory		
i) Raw materials -		
API & Intermediates	**2553.86**	2479.65
Home Health	**521.57**	823.56
Formulations	**672.49**	701.80
Total Raw Materials	**3747.92**	4005.01
ii) Work in Progress -		
API & Intermediates	**1851.60**	1239.16
Home Health	**266.48**	113.83
Formulations -		
Tablets	**53.11**	87.86
Syrup	**1.54**	1.17
Capsules	**16.04**	7.19
Others	**3.80**	1.51
Formulations Sub Total	**74.49**	97.73
Total Work -in -progress	**2192.57**	1450.72
iii) Finished goods -		
API & Intermediates	**973.69**	434.95
Home Health	**798.93**	151.05
Formulations -		
Tablets	**36.01**	118.48
Syrup	**4.14**	13.90
Capsules	**4.38**	7.76
Others	**22.53**	0.97
Formulations Sub Total	**67.06**	141.11
Finished Goods Inventory	**1839.68**	727.11
iv) Stock-in-trade -		
Home Health	**988.82**	833.84
Formulations-		
Tablets	**85.97**	80.96
Syrup	**42.61**	46.19
Capsules	**7.00**	21.22
Others	**7.15**	52.80
Formulations Sub -total	**142.73**	201.17
Stock-in-trade Inventory	**1131.55**	1035.01
7. INVESTMENTS		
Other Investments (At Cost)		
Investment in Mutual Funds (Quoted)		
Nil (Previous Year : 21000 Units) of Rs.100/- each of ICICI Prudential Saving Fund-Daily Dividend	**-**	21.68
Nil (Previous Year 100 Units) of Rs.100/- each of ICICI Prudential Money Market Fund-Daily Dividend	**-**	0.10

(₹ in Lakhs)

	As at 31.03.2019	As at 31.03.2018
37 Units (Previous Year : Nil) of Aditya Birla Sun Life Equity Fund	**0.25**	-
120 Units (Previous Year : Nil) of Aditya Birla Sun Life Frontline Equity Fund	**0.25**	-
640 Units (Previous Year : Nil) of ICICI Prudential Bluechip Fund	**0.25**	-
758 Units (Previous Year : Nil) of Kotak Standard Multicap Fund	**0.25**	-
134 Units (Previous Year : Nil) of Franklin India Prima Fund	**1.25**	-
	2.25	21.78
Market Value of Quoted Investments	**2.39**	21.78
8. TRADE RECEIVABLES		
Unsecured -		
Considered good	**12196.49**	11022.27
Considered Doubtful	**81.99**	96.28
Less : Provision for doubtful debts	**(81.99)**	(96.28)
	12196.49	11022.27
9. CASH AND CASH EQUIVALENTS		
Balances with banks		
Current Accounts	**926.28**	534.97
Cash in hand	**9.54**	11.72
	935.82	546.69
10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked balances with banks		
Margin Money & Security against Overdraft, Bills discounting and LC facilities (Refer Note No. 14)	**2229.06**	11.82
Guarantees	**32.65**	11.56
	2261.71	23.38
11. OTHER FINANCIAL ASSETS		
Interest accrued but not due	**26.31**	10.10
	26.31	10.10
12. OTHER CURRENT ASSETS		
Unsecured considered good, unless otherwise stated		
Advances with Suppliers & Others	**1744.30**	1568.99
Leasehold Land Prepayments	**0.36**	0.36
Balance with Government Authorities	**1156.45**	1431.64
Security Deposits	**77.10**	23.64
Export Incentives Receivable	**668.63**	403.87
Recoverable from Customs	**-**	61.47
Advances to Employees	**67.56**	83.89
Prepaid Expenses	**76.92**	73.56
	3791.32	3647.42
Advances Considered Doubtful	**157.73**	157.73
Less : Provision for doubtful advances	**(157.73)**	(157.73)
	3791.32	3647.42

13. SHARE CAPITAL

A. Equity Share Capital

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	**Amount (₹/Lakhs)**	No. of Shares	Amount (₹/Lakhs)
Authorised				
Equity Shares of ₹ 2/- each	**450000000**	**9000.00**	450000000	9000.00
Issued and Subscribed				
Equity Shares of ₹ 2/- each	**449826203**	**8996.53**	449826203	8996.53
(33000 Shares not paid up)				
Paid up				
Equity Shares of ₹ 2/- each	**449826203**	**8995.86**	449826203	8995.86

Reconcilation of the numbers and amount of Equity shares -

For the year ended	**As at March 31, 2019**		As at March 31, 2018	
	No. of Shares	**Amount (₹/Lakhs)**	No. of Shares	Amount (₹/Lakhs)
Outstanding at beginning of the year	**449826203**	**8995.86**	449826203	8995.86
Add : Shares issued during the year	**-**	**-**	-	-
Less : Shares bought back during the year	**-**	**-**	-	-
Outstanding at the end of year	**449826203**	**8995.86**	449826203	8995.86

B. Shareholders holding more than 5% shares -

Equity Shares

Name of Shareholder	**As at March 31, 2019**		As at March 31, 2018	
	No. of Shares	**% of Holding**	No. of Shares	% of Holding
Pinfold Overseas Ltd.	**38530000**	**8.57**	38530000	8.57

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

i) The company has equity shares having a par value of ₹ 2/- each. Every member of the Company holding equity shares shall be entitled to vote on every resolution placed before the Company and their voting right on poll shall be in proportion to their share in the paid-up equity share capital of the Company.

ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of preferential amounts. The distribution will be in the proportion of the number of equity shares held by the shareholders.

D. During last 5 years immediately preeceding the balance sheet date, no Equity Share has been issued pursuant to any contract without payment being received in cash. Further the company has neither allotted any share by way of bonus shares, nor it had bought back any Equity during aforesaid period of 5 years.

E. Disclosure about unpaid calls - **(₹ in Lakhs)**

Unpaid Calls	**31.03.2019**	31.03.2018
By Directors & Officers	**-**	-
By Others	**0.66**	0.66

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

14. BORROWINGS

Long Term (₹ in Lakhs)

	Current Portion		Non Current Portion	
	As at 31.03.19	As at 31.03.18	**As at 31.03.19**	As at 31.03.18
Secured				
Term Loans from Banks & Institutions				
- Restructured Debts	**-**	1053.95	**-**	-
- Other Loans	**91.24**	88.03	**179.15**	269.69
	91.24	1141.98	**179.15**	269.69
Unsecured				
- Preference Shares (Refer note no. 18)	**11965.20**	11965.20	**-**	-
	11965.20	11965.20	**-**	-
Total	**12056.44**	13107.18	**179.15**	269.69

I. Term Loans from Banks & Institutions

Other loans represent vehicle loans, repayble on monthly basis, are secured by way of hypothecation of specific assets purchased under the hire purchase scheme.

Year of Repayment	**2020-21**	**2021-22**	**2022-23**	**Total**
Annual Repayment Amount (Rs./Lakhs)	96.12	48.35	34.68	179.15
Annual Rate of Interest (%)	8.17-10.95	8.17-10.95	8.17-10.95	

(₹ in Lakhs)

	As at 31.03.2019	As at 31.03.2018
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. 10)	**898.97**	-
Total	**898.97**	-

Annual rate of interest chargable on aforesaid facilties ranges up to 8.5 % .

15. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Security Deposits from Business Associates & Others	**146.39**	172.39
	146.39	172.39

16. PROVISIONS

	CURRENT		NON-CURRENT	
	As at 31.03.19	As at 31.03.18	**As at 31.03.19**	As at 31.03.18
Provision for Employees' Benefits (Unfunded) -				
Gratuity	**85.97**	74.34	**1336.43**	1029.84
Leave Encashment	**28.08**	52.10	**449.05**	315.46
Total	**114.05**	126.44	**1785.48**	1345.30

(₹ in Lakhs)

	As at 31.03.2019	As at 31.03.2018
17. TRADE PAYABLES		
Total outstanding dues of micro small and medium enterprises	**268.60**	38.88
Total outstanding dues of creditors other than micro small and medium enterprises	**15439.24**	16450.33
	15707.84	16489.21
No interest during the year has been paid or payable under the terms of the MSMED Act, 2006.		
18. OTHER FINANCIAL LIABILITIES -CURRENT		
Current maturities of Long Term Borrowings (Refer note no. 14)	**91.24**	1141.98
Preference Shares (Refer note no.14)	**11965.20**	11965.20
Interest Accrued and Due on Borrowings	**-**	65.12
Cummulative Dividend on Preference Shares	**881.32**	831.69
Accrued Salaries and Benefits	**977.53**	754.12
Others	**710.08**	480.64
	14625.37	15238.75

Under the previous GAAP, Preference Shares Capital was treated as part of equity and carried at cost. Redeemable preference shares contain a contractual obligation to deliver cash to the holders. Under Ind AS the same is classified as liability. Dividend on cumulative preference shares has accordingly been shown as part of finance cost.

A. Preference Shares

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	**Amount (₹/Lakhs)**	No. of Shares	Amount (₹/Lakhs)
Authorised Preference Shares of ₹ 100/- each	**12000000**	**12000.00**	12000000	12000.00
Issued , Subscribed & paid up Preference Shares of ₹ 100/- each	**11965201**	**11965.20**	11965201	11965.20
0.01% Optionally Convertible	**9735201**	**9735.20**	9735201	9735.20
0.01% Cumulative Redeemable	**1730000**	**1730.00**	1730000	1730.00
9.75% Cumulative Redeemable	**500000**	**500.00**	500000	500.00
	11965201	**11965.20**	11965201	11965.20

Reconcilation of the numbers and amount of Preference shares

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	**Amount (₹/Lakhs)**	No. of Shares	Amount (₹/Lakhs)
Outstanding at beginning of the year	**11965201**	**11965.20**	11965201	11965.20
Add : Shares issued during the year	**-**	**-**	-	-
Less : Shares bought back/redeemed during the year	**-**	**-**	-	-
Outstanding at the end of year	**11965201**	**11965.20**	11965201	11965.20

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

i) The company has preference shares of ₹100/- each. Every member of the Company holding preference shares shall be entitled to vote on resolutions placed before the Company which directly affect the rights attached to their shares and any resolution for winding up of the Company or for repayment or reduction of capital and their voting right on poll shall be in proportion to their share in the paid-up preference share capital of the Company. However, where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all resolutions placed before the Company and the proportion of voting rights of equity shareholders to the voting rights of preference shareholders shall be in proportion to their paid up capital.

ii) All 9735201, 0.01% Optionally Convertible Preference Shares, had already become due for redemption/conversion in the financial year 2014-15 and could not be redeemed due to unavailibility of surplus.

iii) Out of 1730000, 0.01% Cumulative Reedemable Preference Shares, preference shares comprising of 200000 Shares amounting to ₹ 200.00 Lakhs were due for redemption in financial year ending 31.03.2012, whereas 50% of 1530000 Shares amounting to ₹ 765.00 Lakhs were due for redemption in the financial year ending 31st March, 2017 and balance 50% had fallen due for redemption in the financial year ending 31st March, 2018.

iv) 500000, 9.75% Cumulative redeemable Preference shares amounting to ₹ 500.00 Lakhs had been due for redemption since March 2004, however, could not be redeemed because of unavailability of surplus. The subscriber has filed a legal case against the company for the recovery of the sum invested as well as dividend thereon. The company is contesting the claim of the subscriber at appropriate forum.

v) During the year, the company could not redeem the Preference Shares, already due for redemption, on account of unavailability of distributable profits in terms of Section 55(2)(a) and Section 123 of Companies Act, 2013.

C. Shareholders holding more than 5% shares -

a) 9735201, 0.01% Optionally Convertible Redeemable Shares -

Name of Shareholder	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Bank of Nova Scotia	**1179000**	**12.11**	1179000	12.11
Stressed Assets Stabilisation Fund (SASF)	**961044**	**9.87**	961044	9.87
EXIM Bank Ltd.	**916333**	**9.41**	916333	9.41
SICOM Ltd.	**829463**	**8.52**	829463	8.52
Punjab National Bank	**671522**	**6.90**	671522	6.90
Oriental Bank of Commerce	**623828**	**6.41**	623828	6.41
Dena Bank	**593936**	**6.10**	593936	6.10
UCO Bank	**515900**	**5.30**	515900	5.30

b) 1730000, 0.01% Cummulative Redeemable Shares -

Name of Shareholder	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Oriental Bank of Commerce	**1000000**	**57.80**	1000000	57.80
Axis Bank Ltd.	**500000**	**28.90**	500000	28.90
Blue Sky Securities Pvt. Ltd.	**200000**	**11.56**	200000	11.56

c) 500000, 9.75% Cumulative Redeemable Shares -

Name of Shareholder	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Jammu and Kashmir Bank Ltd.	**500000**	**100**	500000	100

		(₹ in Lakhs)
	As at	As at
	31.03.2019	31.03.2018
19. OTHER CURRENT LIABILITIES		
Advance received from Customers	**239.89**	271.13
Direct Taxes	**292.77**	58.99
Indirect Taxes	**203.32**	36.62
	735.98	366.74
20. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
a) **Contingent Liabilties**		
Claims against the Company not acknowledged as debts	**218.33**	844.50
Guarantees	**32.65**	22.69
Other money for which company is contingently liable	**901.50**	1740.00
Fixed Deposits (Refer Note No. 38(d))	**-**	-
	1152.48	2,607.19
b) **Commitments**	**-**	-
	1152.48	2607.19

		(₹ in Lakhs)
	Year Ended	Year Ended
	31.03.2019	31.03.2018
21. REVENUE FROM OPERATIONS		
Sale of products		
Domestic	**40900.75**	36928.36
Exports	**29696.46**	18366.31
[(includes third party & deemed exports of Rs. 3.50 Lakhs (Previous year Rs. 2901.25 Lakh)]		
Total	**70597.21**	55294.67
Other Operating Revenues		
Export Incentives	**1093.59**	777.32
Other items	**33.49**	11.05
	1127.08	788.37
	71724.29	56083.04
Break-up of revenue from sale of products (net of excise duty)		
Classification -		
Manufactured goods		
API & Intermediates	**41304.72**	33908.12
Home Health	**6015.87**	790.84
Formulations -		
Tablets	**3730.45**	2882.51
Syrup	**824.52**	555.49
Capsules	**889.76**	499.87
Others	**254.29**	153.49
Formulations Sub-Total	**5699.02**	4091.36
Sale of Manufactured Goods - (A)	**53019.61**	38790.32
Traded Goods		
Home Health	**7959.06**	9544.57
Formulations -		
Tablets	**5591.20**	3663.16
Syrups	**1972.51**	950.21

(₹ in Lakhs)

	Year Ended 31.03.2019	Year Ended 31.03.2018
Capsules	**1089.43**	952.21
Others	**965.40**	1394.20
Formulations Sub -Total	**9618.54**	6959.78
Total Sales of Stock in Trade - (B)	**17577.60**	16504.35
Total Sales Revenues (A + B)	**70597.21**	55294.67
22. OTHER INCOME		
Interest Income	**82.23**	12.05
Others	**284.95**	341.96
	367.18	354.01
23. COST OF MATERIALS CONSUMED		
Raw Materials	**32570.03**	21323.68
Packing Materials	**1738.06**	728.97
	34308.09	22052.65
Break up of cost of Raw Material consumed		
Classification -		
API & Intermediates	**25579.34**	18783.32
Home Health	**5504.40**	973.17
Formulations	**3224.35**	2296.16
Total	**34308.09**	22052.65
24. PURCHASE OF STOCK-IN-TRADE		
Home Health	**6118.75**	5775.31
Formulations -		
Tablets	**4717.91**	3172.53
Syrups	**1562.32**	807.27
Capsules	**1018.47**	753.22
Others	**856.84**	1274.33
Formulations Sub -total	**8155.54**	6007.35
Total	**14274.29**	11782.66
25. CHANGE IN INVENTORY		
Opening Balance -		
Work-in-progress	**1450.72**	1712.54
Finished goods	**727.11**	858.49
Stock-in-trade	**1035.01**	1138.97
Stores and spares	**174.56**	101.89
	3387.40	3811.89
Closing Balance -		
Work-in-progress	**2192.57**	1450.72
Finished goods	**1839.68**	727.11
Stock-in-trade	**1131.55**	1035.01
Stores and spares	**169.61**	174.56
	5333.41	3387.40
Change in Inventory	**(1946.01)**	424.49

(₹ in Lakhs)

	Year Ended 31.03.2019	Year Ended 31.03.2018
26. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	**7528.51**	6033.66
Contribution to provident fund/ ESI	**280.58**	256.28
Gratuity and Leave Encashment	**338.03**	214.89
Staff Welfare	**327.12**	317.07
	8474.24	6821.90
27. FINANCE COST		
Interest expense	**157.45**	380.71
Dividends on Cumulative Preference Shares (refer Note No. 18)	**49.63**	48.75
	207.08	429.46
28. OTHER EXPENSES		
Consumption of Stores and spare parts	**236.29**	112.65
Power and Fuel	**1318.15**	1108.29
Rent	**358.08**	355.66
Repairs to buildings	**178.66**	120.62
Repairs to machinery	**437.95**	305.57
General Repairs	**93.71**	96.43
Insurance	**48.28**	42.89
Research & Development	**95.48**	50.20
Quality Control & Testing Charges	**440.96**	303.22
Rates and Taxes	**135.05**	134.02
Legal and Professional Expenses	**1393.00**	834.20
Travelling Expenses	**1092.84**	971.56
Selling and Distribution Expenses	**3172.21**	2912.86
Miscellaneous Expenses	**1110.98**	1626.25
	10111.64	8974.42
29. PAYMENTS TO AUDITORS (excluding Service Tax/GST)		
Statutory Auditors -		
Year Ended		
Audit Fee	**20.00**	20.00
Tax Audit Fee	**6.00**	6.00
Tax Matters	**4.00**	4.00
Certification	**1.43**	2.71
Others	**1.53**	8.71
Total	**32.96**	41.42
Cost Auditors -		
Audit Fees	**2.00**	2.00
Total	**2.00**	2.00

30. PRIOR PERIOD ITEMS

Expenses include Rs. 42.03 Lakhs (Previous Year Rs. 14.73 Lakhs) as expenses (net) relating to earlier years.

(₹ in Lakhs)

	Year Ended 31.03.2019	Year Ended 31.03.2018
31. DISCLOSURES ABOUT IMPORTS, EXPENDITURE IN FOREIGN CURRENCY, RAW MATERIAL CONSUMPTION & EARNINGS IN FOREIGN EXCHANGE -		
A. VALUE OF IMPORTS ON CIF BASIS		
Raw Materials	**22255.89**	12465.13
Stock -in -trade	**4456.71**	2351.61
Capital Goods	**208.10**	122.11
	26920.70	14938.85
B. EXPENDITURE IN FOREIGN CURRENCY		
Purchase of Capital Goods/ Travel/ Commission	**470.79**	536.47
	470.79	536.47
C. VALUE OF IMPORTED AND INDIGENIOUS RAW MATERIAL CONSUMED AND PERCENTAGE THEREOF		
Imported	**17964.36**	11547.05
Indigenous	**16343.73**	10535.61
	34308.09	22082.66
% Imported	**52.36%**	52.29%
% Indigenous	**47.64%**	47.71%
	100.00%	100.00%
D. EARNINGS IN FOREIGN EXCHANGE		
Exports of Goods on F.O.B. basis	**29692.96**	15465.05
[Excluding third party & deemed exports of Rs.3.50 Lakhs (Previous Year Rs. 2901.25 Lakhs)]	**29692.96**	15465.05

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 seperate 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) issued by the Institute of Chartered Accountants of India are as under:

Related Parties		
1.	Subsidiary Companies	
	Morepen Inc.	Overseas Company
	Dr. Morepen Limited	Domestic Company
	Total Care Limited	Domestic Company
2.	Key Management Personnel	Mr. Sushil Suri, Chairman & Managing Director Dr. A.K. Sinha, Whole time Director Mr. Ajay Sharma, Chief Financial Officer Mr. Vipul Srivastava, Company Secretary from November 2018 Mr. Thomas P. Joshua, Company Secretary upto September 2018
3.	Relatives of Key Management personnnels with whom the company has any transaction during the year	Mr. Sanjay Suri, 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 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	Park Hyatt Goa Resort and Spa (a unit of Blue Coast Hotels Ltd.) Edit 25 Lifestyle Private Limited

Transactions with related parties -

Particulars	Nature of transaction	(₹ in Lakhs)
1. Subsidiary Companies	Sale of inventories	412.17
	Purchase of inventories	1.72
	Amount payable as on 31.03.19 (Maximum amount outstanding ₹296.34 Lakhs)	139.00
2. Key Management Personnel	Remuneration	225.17
	Balance Payable as on 31.03.19 (Maximum amount outstanding - ₹ 62.30 Lakhs)	42.16
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	Nil
	Balance Payable as on 31.03.19 (Maximum amount outstanding - ₹158.46 Lakhs)	Nil
	Receipt of services	28.00
	Balance Payable as on 31.03.19 (Maximum amount outstanding - ₹ 11.68 Lakhs)	4.07
4. Relatives of key Management personnnels with whom the company has any transaction during the year	Remuneration	574.96
	Balance Payable as on 31.03.19 (Maximum amount outstanding - ₹ 161.89 Lakhs)	149.63

34. EARNING PER SHARE

Particulars	Year Ended	
	31.03.2019	31.03.2018
Profit/ (Loss) after Tax (₹ in Lakhs)	**2861.36**	2611.52
Weighted average number of equity shares outstanding	**449826203**	449826203
Earnings/(loss) per share in rupees (face value ₹ 2/- per share)- Basic & Diluted	**0.64**	0.58

35. EMPLOYEE BENEFITS

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

(A) Disclosures for Defined Contribution Plans -

Particulars	**31.03.2019**	31.03.2018
Employer's Contribution to Provident Fund	**225.04**	209.59
Employer's Contribution to Employees State Insurance	**55.42**	46.68

(B) Disclosures for Defined Benefit Plans - Unfunded

	Particulars	Gratuity		Leave Encashment	
I	**Change in the present value of obligation:**	**31.03.2019**	31.03.2018	**31.03.2019**	31.03.2018
	Present Value of Obligation at beginning of the year	**1104.18**	1042.39	**367.56**	356.00
	Add: Interest Cost	**101.51**	82.09	**34.49**	26.87
	Add: Current Service Cost	**92.76**	79.54	**60.74**	30.38
	Less:- Benefit Paid	**47.88**	88.89	**40.11**	51.36
	Add: Acturial loss/(gain) on obligations	**171.82**	(10.95)	**54.45**	5.67
	Present Value of Obligation as at year end	**1422.39**	1104.18	**477.13**	367.56
II	**Change in the fair value of plan Assets:**	**31.03.2019**	31.03.2018	**31.03.2019**	31.03.2018
	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 Profit and Loss Account**	**31.03.2019**	31.03.2018	**31.03.2019**	31.03.2018
	Current Service Cost	**92.76**	79.54	**60.74**	30.38
	Add: Interest Cost	**101.51**	82.09	**34.49**	26.87
	Less: Expected Return on plan asstes	**-**	-	**-**	-
	Less: Settlement Credit	**-**	-	**5.93**	9.67
	Add: Net acturial loss/(gain) recognised	**171.82**	(10.95)	**54.45**	5.67
	Total expenses recognized in profit & loss account	**366.09**	150.68	**143.75**	53.25

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

Assumptions	**31.03.2019**	31.03.2018	**31.03.2019**	31.03.2018
Discount Rate	**7.70%**	7.60%	**7.70%**	7.60%
Salary Escalation Rate	**8.30%**	5.00%	**5.00%**	5.00%
Expected Return on Assets	**-**	-	**-**	-
Employee Turnover rates	**4.00%**	3.00%	**3.00%**	3.00%
Expected average remaining working lives of employees (years)	**21**	20	**21**	20

36. IMPAIRMENT

It is the view of management that there are no impairment conditions that exist as on 31st March, 2019. Hence, no provision is required in the accounts for the year under review.

37. INCOME TAX

As required by Indian Accounting Standard "Income - taxes" i.e. (Ind-AS 12) issued by the Institute of Chartered Accountants of India, deferred tax asset on accumulated losses, is not recognized as a matter of prudence. Current year income tax is provided as per the provisionss of Income Tax Act, 1961.

38. OTHERS SIGNIFICANT DISCLOSURES

a) In the opinion of directors, all assets stated otherwise have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts and the provision for depreciation and for all known liabilities is adequate and considered reasonable.

b) Balances of Non-current liabilities, Current liabilties, Long terms loans and advances, Trade receivables, Short term loans and advances and banks are subject to confirmation.

c) Sales Tax assessments for earlier years are in progress. Demand, if any, shall be known & accounted for, on the completion of assessments.

d) During the financial year ended 31st March, 2010, pursuant to a Scheme of Arrangement & Compromise under Section 391 of the Companies Act, 1956 approved by the Hon'ble High Court of Himachal Pradesh vide its Order dated 4th August, 2009 the Company allotted 9,24,90,413 Equity Shares to the fixed deposit holders in settlement of their dues. On an appeal filed against the said Order by the Central Government, the Hon'ble Division Bench of the Hon'ble High Court of Himachal Pradesh remanded the matter back to single judge for considering the representation of central government and deciding the matter afresh. The matter was later transferred to Hon'ble National Company Law Tribunal (NCLT), Chandigarh. The Hon'ble NCLT vide its judgment dated 12th March 2018 dismissed the Company's petition seeking approval of the Scheme of arrangement with the Fixed Deposit holders. However, Hon'ble NCLT further 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. It directed the company that it shall pay the outstanding amount as per the scheme approved by the Company Law Board (CLB) to the original FD holders (except to those who have since traded/transferred the shares allotted to them). The Company had filed an appeal before the Hon'ble National Company Law Appellate Tribunal (NCLAT) at New Delhi against the order dated 12th March, 2018 of the Hon'ble NCLT, Chandigarh. The Hon'ble NCLAT while issuing notice to the respondents has stayed the operation of the impugned order dated 12th March, 2018. The Hon'ble National Company Law Appellate Tribunal (NCLAT) after hearing the matter has reserved the order for judgment. Pending disposal of the company's appeal before Hon'ble NCLAT, the liability towards deposit holders, if any, is not ascertained. (Refer Note. No. 20)

e) In view of the amendments in the Companies Act during the year, the payment of remuneration to directors amounting to ₹ 356.00 Lakhs for the period April 2005 - March 2014, now does not require approval from central government.

f) During the year operations u/s 132 of Income Tax Act, 1961 were carried out by Income Tax Department on the premises of the company. No incriminating document was found.

g) Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout.

39. Corporate Social Responsibility (CSR)

a) During the financial year ended 31st March, 2019, CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof was ₹ 43.15 Lakh (Previous year ₹ 26.18 Lakh).

b) During the year the Company has made an expenditure of ₹ 45.06 Lakh (Previous year ₹ 31.80 Lakh) related to CSR.

c) Details of CSR expenditure incurred during the year ended 31st March, 2019 is as below :-

(₹/Lakh)

	31.03.2019	31.03.2018
CSR activity		
- Promotion of Healthcare	**32.55**	31.80
- Education	**12.51**	-
Total	**45.06**	31.80

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 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

S. No.	Key Audit Matter	Auditor's Response
1	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 4th August, 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 the company shall pay the outstanding amount as per the scheme approved by the Company Law Board (CLB). On an appeal preferred by the company against the said order of NCLT, the Hon'ble National Company Law Appellate Tribunal (NCLAT) stayed the direction of NCLT and reserved the order for judgment after hearing the matter. Refer Note. No. 33(d) to the consolidated financial statements	**Principal Audit Procedures** We collected the following documents: - Scheme approved by the Company Law Board (CLB) dated 19th August, 2003. - Scheme of Arrangement & Compromise under Section 391 of the Companies Act, 1956 approved by the Hon'ble High Court of Himachal Pradesh dated 4th August, 2009. - Judgment of Hon'ble NCLT dated 12th March 2018 dismissing the Company's petition seeking approval of the Scheme of arrangement with the Fixed Deposit holder. - Copy of order of Hon'ble National Company Law Appellate Tribunal dated 27th April 2018 staying the direction issued by Hon'ble NCLT in its order dated 12th March 2018. - Copy of order of Hon'ble National Company Law Appellate Tribunal (NCLAT) dated 8th April 2019 reserving the order for judgement. We read and analysed the above orders/judgments. The outcome of the judgement may impact financials of the company.

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)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and

the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transaction and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

  We communicate with those charged with governance of the Holding Company and such entities included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the financial statements of foreign subsidiary named as Morepen Inc. included in consolidated financial statements whose financial statements reflect total assets of Rs. 186.45 lakhs as at 31st March, 2019, total revenue of Rs. 105.32 lakhs, total profit after tax of Rs. 18.97 lakhs and total comprehensive income of Rs. 18.97 lakhs for the year ended on that date, as considered in the consolidated financial statements. The aforesaid financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the auditor of such company.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of

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

d) In our Opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issues thereunder.

e) On the basis of the written representations received from the directors of the Holding company and its Indian subsidiaries as on 31st March, 2019 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, 2019 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls is as per Annexure A.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

(ii) The Group has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivate contracts;

(iii) During the year, the Group was not liable to transfer any amount to the Investor Education and Protection Fund.

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

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

Date : 4th May, 2019
Place : New Delhi

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the consolidated financial statements of Morepen Laboratories Limited for the year ended 31st March 2019)

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 31st March, 2019, 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 31st March, 2019, based on the internal control over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to the financial statements of foreign subsidiary named as Morepen Inc., is based solely on the reports of the auditor of such company.

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

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

Date : 4th May, 2019
Place : New Delhi

Consolidated Balance Sheet

As at 31st March, 2019

(₹ in Lakhs)

	Note No.	As at 31.03.2019	As at 31.03.2018
A ASSETS			
1. NON-CURRENT ASSETS			
Property Plant and Equipment	2	**14736.71**	17239.67
Goodwill	2	**7447.98**	7448.54
Other Intangible Assets	2	**1436.25**	1741.07
Financial Assets :			
Loans	3	**4.14**	2.05
Other Non-Current Assets	4	**7945.82**	7805.31
		31570.90	34236.64
2. CURRENT ASSETS			
Inventories	5	**9420.16**	7688.69
Financial Assets :			
Investments	6	**2.25**	21.78
Trade Receivables	7	**13374.69**	12185.05
Cash and Cash Equivalents	8	**959.51**	571.61
Bank Balances other than Cash and Cash Equivalents	9	**2261.71**	23.38
Loans	3	**39.11**	46.31
Other Financial Assets	10	**26.31**	10.10
Other current assets	11	**3863.10**	3797.08
		29946.84	24344.00
TOTAL		**61517.74**	58580.64
B. EQUITY AND LIABILITIES			
1. EQUITY			
Equity Share Capital	12	**8995.86**	8995.86
Other Equity		**16313.42**	13598.30
		25309.28	22594.16
2. MINORITY INTEREST	13	**(46.31)**	(45.42)
3. NON - CURRENT LIABILITIES			
Financial Liabilties :-			
Borrowings	14	**182.92**	294.73
Other Financial liabilities	15	**253.65**	282.66
Provisions	16	**1901.21**	1442.37
		2337.78	2019.76
4. CURRENT LIABILITIES			
Financial Liabilties :-			
Borrowings	14	**898.97**	-
Trade Payables	17	**16815.02**	17488.44
Other Financial liabilities	18	**14875.81**	15576.77
Other Current Liabilties	19	**1188.59**	813.60
Provisions	16	**138.60**	133.33
		33916.99	34012.14
TOTAL		**61517.74**	58580.64
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-34		

As per our separate report of even date

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

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

Place : New Delhi
Date : 4th May, 2019

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

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Ajay Sharma)
Chief Financial Officer

(Manoj Joshi)
Director
DIN : 00036546

(Vipul Kumar Srivastava)
Company Secretary

Consolidated Statement Of Profit And Loss

For the Year Ended 31st March, 2019

(₹ in Lakhs)

	Note No.	Year Ended 31.03.2019	Year Ended 31.03.2018
REVENUE			
Sales Revenue	21	**75621.44**	59775.29
Other Income		**1232.40**	875.62
Revenue from operations (Net)	21	**76853.84**	60650.91
Other Income	22	**367.18**	372.27
Total Income (I)		**77221.02**	61023.18
EXPENSES			
Cost of Materials Consumed	23	**34308.09**	22052.65
Purchases of Stock-in-Trade		**17329.47**	14457.40
Changes in inventories of Finished goods Work-in-progress and Stock-in-Trade		**(1987.78)**	347.06
Employee Benefits Expense	24	**9536.47**	7653.37
Finance Cost	25	**211.00**	435.73
Depreciation and Amortization Expense	2	**3990.29**	3432.20
Other Expenses	26	**10915.81**	9667.68
Total Expenses (II)		**74303.35**	58046.09
Profit before Tax		**2917.67**	2977.09
Tax Expense			
Tax		**(246.33)**	-
Tax Credit Entitlement		**212.70**	-
Profit for the Year (III)		**2884.04**	2977.09
Share of minority interest in Profit/ (loss)		**(0.89)**	17.95
Profit for the year available for majority shareholders		**2884.93**	2959.14
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss		**(169.11)**	8.87
Tax		**36.33**	-
Tax Credit Entitlement		**(37.03)**	-
Other Comprehensive Income for the Year (Net of Tax) (IV)		**(169.81)**	8.87
Total Comprehensive Income for the Year (III + IV)		**2715.12**	2968.01
Earning per equity share (Face Value of Rs. 2/- each)	30		
(1) Basic		**0.64**	0.66
(2) Diluted		**0.64**	0.66
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	2-34		

As per our separate report of even date

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

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

Place : New Delhi
Date : 4th May, 2019

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

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Ajay Sharma)
Chief Financial Officer

(Manoj Joshi)
Director
DIN : 00036546

(Vipul Kumar Srivastava)
Company Secretary

Consolidated Cash Flow Statement

For the Year Ended 31st March, 2019

(₹ in Lakhs)

		Notes No.	Year Ended 31.03.2019	Year Ended 31.03.2018
A.	**CASH FLOWS FROM OPERATING ACTIVITIES :**			
	Profit before Tax		**2917.67**	2977.08
	Adjustments for :			
	Depreciation & Amortisation	2	**3990.29**	3432.20
	(Profit)/Loss on Sale of Fixed Assets		**0.06**	5.50
	Provision for Employee benefit (OCI)		**(169.11)**	8.87
	Finance Cost (Net)	25	**211.00**	435.73
	Minority Interest		**0.89**	(17.95)
	Operating Profit before changes in Current Assets and Liabilities		**6950.80**	6841.43
	Changes in Current Assets and Liabilities -			
	Trade Receivables	7	**(1189.64)**	(2889.93)
	Loans, Bank balance other than cash &			
	Cash equivalent and other Current Assets	3,9,10,11	**(2313.36)**	(1513.26)
	Inventories	5	**(1731.47)**	(1222.20)
	Current Liabilities	16,17,18,19	**55.08**	5125.36
	Cash generated from operations		**1771.41**	6341.41
	Income Tax (Net)		**(34.36)**	-
	NET CASH GENERATED FROM OPERATING ACTIVITIES		**1737.05**	6341.41
B.	**CASH FLOWS FROM INVESTING ACTIVITIES:**			
	Purchase of Property, Plant & Equipments		**(850.60)**	(1032.80)
	Purchase/Addition of Intangibles/Goodwill (Net)		**(333.18)**	(1655.44)
	Proceeds from Sale of Property, Plant & Equipments		**1.80**	1.58
	Sales/(Purchase) of Investments (Net)	6	**19.53**	(21.78)
	Investment in Other Non-Current Assets	3,4	**(142.60)**	15.56
	NET CASH USED IN INVESTING ACTIVITIES		**(1305.05)**	(2692.89)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES:**			
	Finance Cost	25	**(211.00)**	(435.73)
	Change in Long Term borrowings (Net)	14	**(1161.01)**	(3442.93)
	Proceeds (Repayments) of Short Term Borrowings (Net)	14	**898.97**	-
	Change in Other Non- Current Liabilities & Provisions (Net)	13,15,16	**428.94**	101.29
	NET CASH USED IN FINANCING ACTIVITIES		**(44.10)**	(3777.37)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)		**387.90**	(128.85)
	Cash and Cash Equivalents as at Begining of the Year		**571.61**	700.47
	Cash and Cash Equivalents as at End of the Year		**959.51**	571.61
	Bank Balances other than Cash and Cash Equivalents		**2261.71**	23.38
	SIGNIFICANT ACCOUNTING POLICIES	1		
	NOTES ON FINANCIAL STATEMENTS	2-34		

As per our separate report of even date

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

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

Place : New Delhi
Date : 4th May, 2019

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

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Manoj Joshi)
Director
DIN : 00036546

(Ajay Sharma)
Chief Financial Officer

(Vipul Kumar Srivastava)
Company Secretary

Consolidated statement of changes in Equity

For the Year Ended 31st March, 2019

A. EQUITY SHARE CAPITAL

Balance as at 1st April, 2018	Change in equity share capital during the year	Balance as at 31st March, 2019
8995.86	-	8995.86

B. OTHER EQUITY

	RESERVES & SURPLUS				Other items of other comprehensive income	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings		
Balance as at 1st April, 2018	**270.40**	**7123.33**	**16740.51**	**(10486.02)**	**(49.92)**	**13598.30**
Profit for the year	-	-	-	2884.93	-	2884.93
Other comprehensive income/(loss) for the year	-	-	-	-	(169.81)	(169.81)
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**2884.93**	**(169.81)**	**2715.12**
Balance as at 31st March, 2019	**270.40**	**7123.33**	**16740.51**	**(7601.09)**	**(219.73)**	**16313.42**

SIGNIFICANT ACCOUNTING POLICIES	1
NOTES ON FINANCIAL STATEMENTS	2-34

As per our separate report of even date

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

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

Place : New Delhi
Date : 4th May, 2019

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

(Sushil Suri)
Chairman & Managing Director
DIN : 00012028

(Ajay Sharma)
Chief Financial Officer

(Manoj Joshi)
Director
DIN : 00036546

(Vipul Kumar Srivastava)
Company Secretary

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1.0 Company Overview

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

1.1 Basis for preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act'') and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The consolidated financial statements consist of financial statements of Morepen Laboratories Ltd. (parent company) and its three subsidiaries namely Dr. Morepen Ltd., Total Care Ltd., (Domestic Companies) and Morepen Inc. (Foreign Company). Financial statements of foreign subsidiary have been recasted for the purpose of consolidation.

The names of subsidiary companies included in consolidation and parent company's holding therein are as under-

Subsidiary Company	Country of Incorporation	Percentage of Holding (%)
Morepen Inc.	U.S.A.	100
Dr. Morepen Ltd.	India	100
Total Care Ltd.	India	95*

*(Held by Dr. Morepen Limited)

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on 4th May, 2019.

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.

ii) Subsequent measurement

a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

d) Investments in subsidiaries, joint ventures and associates

The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and carrying amount as per

previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

e) Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

iv) Fair value measurement of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

2.1 Impairment of Assets

i) Financial Assets

In accordance with Ind AS 109, the company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

ii) Non-Financial Assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

2.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company

and the amount can be reliably measured.

a) Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is net of returns, trade discounts, Goods and Services Tax (GST).

Provisions for rebates, discount and return are estimated and provided for in the year of sales and recorded as reduction of revenue.

b) Dividend income is accounted for when the right to receive the income is established.

2.3 Interest

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.4 Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit 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.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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, 2019

2. I) PROPERTY, PLANT AND EQUIPMENT

TANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTIZATION				CARRYING VALUE	
	As at 01.04.2018	Additions	(Disposals)/ Adjustments	**As at 31.03.2019**	As at 01.04.2018	For the year	Deductions/ Adjustments	**As at 31.03.2019**	**As at 31.03.2019**	As at 31.03.2018
Land	158.22	-	-	**158.22**	-	-	-	**-**	**158.22**	158.22
Buildings	7385.67	64.06	-	**7449.73**	3296.62	178.83	-	**3475.45**	**3974.28**	4089.05
Plant & Machinery	78861.76	710.56	(12150.61)*	**67421.71**	66569.99	3039.19	(12150.61)	**57458.57**	**9963.14**	12291.77
Furnitures & Fixtures	332.84	29.20	-	**362.04**	267.20	8.95	-	**276.15**	**85.89**	65.64
Vehicles	828.21	2.92	(17.32)	**813.81**	279.63	86.53	(15.46)	**350.70**	**463.11**	548.58
Office Equipments	273.55	43.86	-	**317.41**	187.14	38.20	-	**225.34**	**92.07**	86.41
Total	87840.25	850.60	(12167.93)	**76522.92**	70600.58	3351.70	(12166.07)	**61786.21**	**14736.71**	17239.67
Previous Year	92431.05	1032.84	(5623.64)	87840.25	73089.63	3127.46	(5616.51)	70600.58	17239.67	
II) GOODWILL										
Goodwill	7450.22	-	-	**7450.22**	1.68	0.56	-	**2.24**	**7447.98**	7448.54
Total	7450.22	-	-	**7450.22**	1.68	0.56	-	**2.24**	**7447.98**	7448.54
Previous Year	7797.20	-	(346.98)	7450.22	1.12	0.56	-	1.68	7448.54	
III) OTHER INTANGIBLE ASSETS										
Computer Software	196.86	1.80	-	**198.66**	122.02	27.08	-	**149.10**	**49.56**	74.84
Customer Acquisition Cost	1585.09	331.38	-	**1916.47**	270.40	592.66	-	**863.06**	**1053.41**	1314.69
Patents & Trade Marks	2687.73	-	-	**2687.73**	2336.19	18.26	-	**2354.45**	**333.28**	351.54
Total	4469.68	333.18	-	**4802.86**	2728.61	638.00	-	**3366.61**	**1436.25**	1741.07
Previous Year	2467.26	2002.42	-	4469.68	2424.43	304.18	-	2728.61	1741.07	
GRAND TOTAL										
Current year	99760.15	1183.78	(12167.93)	**88776.00**	73330.87	3990.29	(12166.07)	**65155.06**	**23620.94**	26429.28
Previous Year	102695.51	3035.26	(5970.62)	99760.15	75515.18	3432.20	(5616.51)	73330.87	26429.28	

Note -

a) 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.

b) Freehold land includes land having gross value of Rs. 14.94 Lakhs sold in earlier years and advance received against sale revenue on this transaction is not recognised in the books as some obligations are still pending to be completed.

c) Customer Acquisition Cost represents amount spent for the expansion of product market and increase in customer reach.

d) * Old machinery no longer in use, depreciated and written off during the year.

3. LOANS (₹ in Lakhs)

	Current Portion		Non Current Portion	
	As at 31.03.19	As at 31.03.18	**As at 31.03.19**	As at 31.03.18
Secured				
(Unsecured, considred good)				
Financial Assets at amortised cost	-	-	-	-
Loans to Employees	**39.11**	46.31	**4.14**	2.05
	39.11	46.31	**4.14**	2.05

(₹ in Lakhs)

	As at 31.03.2019	As at 31.03.2018
4. OTHER NON CURRENT ASSETS		
Unsecured		
Capital Advances*	**7143.00**	7203.50
Leasehold Land Prepayments	**25.34**	25.70
Prepaid (Deffered)Expenses for Employee Benefit	**2.57**	1.16
Security Deposits	**223.01**	206.09
Due from Income Tax Department	**551.90**	368.86
	7945.82	7805.31

Includes-*

₹ 7124.19 Lakhs (Previous year ₹ 7184.69 Lakhs) advanced for the acquisition/new business opportunity and buyout of new brands. The company expects to complete the transaction in a year's time.

5. INVENTORIES		
Raw Materials	**3747.92**	4005.01
Work-in-progress	**2192.57**	1450.72
Finished goods	**1839.68**	727.11
Stock -in-trade	**1467.55**	1329.24
Goods in transit	**2.83**	2.05
Stores and spares	**169.61**	174.56
	9420.16	7688.69

The inventory of stocks, stores and spares has been taken, valued and certified by the management.

6. INVESTMENTS (NON-CURRENT)

Other Investments (At Cost)

Investment in Mutual Funds

(₹ in Lakhs)

	As at 31.03.2019	As at 31.03.2018
Nil (Previous Year : 21000 Units) of ₹ 100/- each of ICICI Prudential Saving Fund-Daily Dividend	**-**	21.68
Nil (Previous Year 100 Units) of ₹ 100/- each of ICICI Prudential Money Market Fund-Daily Dividend	**-**	0.10
37 Units (Previous Year : Nil) of Aditya Birla Sun Life Equity Fund	**0.25**	-
120 Units (Previous Year : Nil) of Aditya Birla Sun Life Frontline Equity Fund	**0.25**	-
640 Units (Previous Year : Nil) of ICICI Prudential Bluechip Fund	**0.25**	-
758 Units (Previous Year : Nil) of Kotak Standard Multicap Fund	**0.25**	-
134 Units (Previous Year : Nil) of Franklin India Prima Fund	**1.25**	-
	2.25	21.78
Market Value of Quoted Investments	**2.39**	21.78
7. TRADE RECEIVABLES		
Unsecured -		
Considered good	**13374.69**	12185.05
Considered doubtful	**130.26**	146.46
Less: Allowance for bad & doubtful debts	**(130.26)**	(146.46)
	13374.69	12185.05
8. CASH AND CASH EQUIVALENTS		
Balances with banks		
Current Accounts	**948.47**	558.95
Cash in hand	**11.04**	12.66
	959.51	571.61
9. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked balances with banks		
Margin Money & Security against Overdraft, Bills discounting and LC facilities (Refer Note No. 14)	**2229.06**	11.82
Guarantees	**32.65**	11.56
	2261.71	23.38
10. OTHER FINANCIAL ASSETS		
Interest accrued but not due	**26.31**	10.10
	26.31	10.10

(₹ in Lakhs)

	As at 31.03.2019	As at 31.03.2018
11. OTHER CURRENT ASSETS		
Unsecured considered good, unless otherwise stated		
Advances with Suppliers & Others	**1766.99**	1690.79
Leasehold Land Prepayments	**0.36**	0.36
Balance with Government Authorities	**1178.34**	1442.43
Prepaid (Deffered)Expenses for Employee Benefit	**-**	-
Advance Income Tax - Tax Deducted at source	**0.48**	0.45
Security Deposits	**77.10**	23.64
Export Incentives Receivable	**668.63**	403.87
Recoverable from Customs	**-**	69.27
Advances to Employees	**80.89**	88.13
Prepaid Expenses	**90.31**	78.14
	3863.10	3797.08
Advances Considered Doubtful	**163.60**	159.56
Less : Provision for doubtful advances	**(163.60)**	(159.56)
	3863.10	3797.08

12. SHARE CAPITAL

A. Equity Share Capital

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	**Amount (₹/Lakhs)**	No. of Shares	Amount (₹/Lakhs)
Authorised				
Equity Shares of ₹ 2/- each	**450000000**	**9000.00**	450000000	9000.00
Issued and Subscribed				
Equity Shares of ₹ 2/- each	**449826203**	**8996.53**	449826203	8996.53
Paid up				
Equity Shares of ₹ 2/- each	**449826203**	**8995.86**	449826203	8995.86

Reconcilation of the numbers and amount of Equity shares -

For the year ended	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	**Amount (₹/Lakhs)**	No. of Shares	Amount (₹/Lakhs)
Outstanding at beginning of the year	**449826203**	**8995.86**	449826203	8995.86
Add : Shares issued during the year	**-**	**-**	-	-
Less : Shares bought back during the year	**-**	**-**	-	-
Outstanding at the end of year	**449826203**	**8995.86**	449826203	8995.86

B. Shareholders holding more than 5% shares -

Equity Shares

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	**% of Holding**	No. of Shares	% of Holding
Pinfold Overseas Ltd.	**38530000**	**8.57**	38530000	8.57

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

i) The company has equity shares having a par value of ₹ 2/- each. Every member of the Company holding equity shares shall be entitled to vote on every resolution placed before the Company and their voting right on poll shall be in proportion to their share in the paid-up equity share capital of the Company.

ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of preferential amounts. The distribution will be in the proportion of the number of equity shares held by the shareholders.

D. During last 5 years immediately preeceding the balance sheet date, no Equity Share has been issued pursuant to any contract without payment being received in cash. Further the company has neither allotted any share by way of bonus shares, nor it had bought back any Equity during aforesaid period of 5 years.

E. Disclosure about unpaid calls - **(₹ in Lakhs)**

Unpaid Calls	**31.03.2019**	31.03.2018
By Directors & Officers	**-**	-
By Others	**0.66**	0.66

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

(₹ in Lakhs)

	As at 31.03.2019	As at 31.03.2018
13. MINORITY INTEREST		
Share Capital	**46.66**	46.66
Share in Profit/(Loss)	**(92.97)**	(92.08)
	(46.31)	(45.42)

14. BORROWINGS

Long Term

	Current Portion		Non Current Portion	
	As at 31.03.19	As at 31.03.18	**As at 31.03.19**	As at 31.03.18
Secured				
Term Loans from Banks & Institutions				
Restructured Debts	**-**	1053.95	**-**	-
Other Loans	**112.50**	107.75	**182.92**	294.73
Preference Shares (Refer note no. 19)	**11965.20**	11965.20	**-**	-
	12077.70	13126.90	**182.92**	294.73

I. Term Loans from Banks & Institutions

Other loans represent vehicle loans, repayble on monthly basis, are secured by way of hypothecation of specific assets purchased under the hire purchase scheme.

Year of Repayment	2020-21	2021-22	2022-23	Total
Annual Repayment Amount (Rs./Lakhs)	99.89	48.35	34.68	182.92
Annual Rate of Interest (%)	8.17 - 11.00	8.17 - 11.00	8.17 - 11.00	

(₹ in Lakhs)

	As at 31.03.2019	As at 31.03.2018
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)	**898.87**	-
Total	**898.87**	-
Annual rate of interest chargable on aforesaid facilties ranges up to 8.5%.		
15. OTHER FINANCIAL LIABILITIES (NON-CURRENT)	**253.65**	282.66
Security Deposits from Business Associates & Others	**253.65**	282.66

16. PROVISIONS

	CURRENT		NON-CURRENT	
Provision for employees' benefits (Unfunded) -	**As at 31.03.19**	As at 31.03.18	**As at 31.03.19**	As at 31.03.18
Gratuity	**89.76**	76.56	**1405.23**	1088.31
Leave Encashment	**31.63**	56.77	**495.98**	354.06
Provision for Income Tax	**17.21**	-	**-**	-
	138.60	133.33	**1901.21**	1442.37

17. TRADE PAYABLES		
Total outstanding dues of micro small and medium enterprises	**392.75**	38.88
Total outstanding dues of creditors other than micro small and medium enterprises	**16422.27**	17449.56
	16815.02	17488.44
Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.		
18. OTHER FINANCIAL LIABILITIES -CURRENT		
Current maturities of Long Term Borrowings (Refer note no. 15)	**112.50**	1161.70
Preference Shares (Refer note no. 15)	**11965.20**	11965.20
Interest accrued and due on borrowings	**-**	65.12
Cummulative Dividend on Preference Shares	**881.32**	831.69
Accrued salaries and benefits	**1175.54**	896.69
Others	**741.25**	656.37
	14875.81	15576.77

Under the previous GAAP, Preference Shares Capital was treated as part of equity and carried at cost. Redeemable preference shares contain a contractual obligation to deliver cash to the holders. Under Ind As the same is classified as liability. Dividend on cumulative preference shares has accordingly shown as part of finance cost.

A. Preference Share Capital

	As at March 31, 2019		As at March 31, 2018	
	Nos. of Shares	**Amount (₹/Lakhs)**	Nos. of Shares	Amount (₹/Lakhs)
Authorised				
Preference Shares of ₹ 100/- each	**12000000**	**12000.00**	12000000	12000.00
Issued , Subscribed & paid up				
Preference Shares of ₹ 100/- each	**11965201**	**11965.20**	11965201	11965.20
0.01% Optionally Convertible	**9735201**	**9735.20**	9735201	9735.20
0.01% Cumulative Redeemable	**1730000**	**1730.00**	1730000	1730.00
9.75% Cumulative Redeemable	**500000**	**500.00**	500000	500.00
	11965201	**11965.20**	11965201	11965.20

Reconcilation of the numbers and amount of Preference shares

	As at March 31, 2019		As at March 31, 2018	
	Nos. of Shares	**Amount (₹/Lakhs)**	Nos. of Shares	Amount (₹/Lakhs)
Outstanding at beginning of the year	**11965201**	**11965.20**	11965201	11965.20
Add : Shares issued during the year	**-**	**-**	-	-
Less : Shares bought back during the year	**-**	**-**	-	-
Outstanding at the end of year	**11965201**	**11965.20**	11965201	11965.20
Total Equity (₹/Lakhs)		**20961.06**		20961.06

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

a) i) The company has preference shares of ₹ 100/- each. Every member of the Company holding preference shares shall be entitled to vote on resolutions placed before the Company which directly affect the rights attached to their shares and any resolution for winding up of the Company or for repayment or reduction of capital and their voting right on poll shall be in proportion to their share in the paid-up preference share capital of the Company. However, where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all resolutions placed before the Company and the proportion of voting rights of equity shareholders to the voting rights of preference shareholders shall be in proportion to their paid up capital.

ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of preferential amounts. The distribution will be in the proportion of the number of equity shares held by the shareholders.

b) i) All 9735201, 0.01% Optionally Convertible Preference Shares, had already become due for redemption/conversion in the financial year 2014-15 and could not be redeemed due to unavailability of surplus.

ii) Out of 1730000, 0.01% Cumulative Reedemable Preference Shares, preference shares comprising of 200000 Shares amounting to ₹ 200.00 Lakhs were due for redemption in financial year ending 31.03.2012, whereas 50% of 1530000 Shares amounting to ₹ 765.00 Lakhs were due for redemption in the financial year ending 31st March, 2017 and balance 50% had fallen due for redemption in the financial year ending 31st March, 2018.

iii) 500000, 9.75% Cumulative redeemable Preference shares amounting to ₹500.00 Lakhs had been due for redemption since March 2004, however, could not be redeemed because of unavailability of surplus. The subscriber has filed a legal case against the company for the recovery of the sum invested as well as dividend thereon. The company is contesting the claim of the subscriber at appropriate forum.

iv) During the year, the company could not redeem the Preference Shares, already due for redemption, on account unavailability of distributable profits in terms of Section 55(2)(a) and Section 123 of Companies Act, 2013.

Preference Shares

a) 9735201, 0.01% Optionally Convertible Redeemable Shares -

Name of Shareholder	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Bank of Nova Scotia	**1179000**	**12.11**	1179000	12.11
Stressed Assets Stabilisation Fund (SASF)	**961044**	**9.87**	961044	9.87
EXIM Bank Ltd.	**916333**	**9.41**	916333	9.41
SICOM Ltd.	**829463**	**8.52**	829463	8.52
Punjab National Bank	**671522**	**6.90**	671522	6.90
Oriental Bank of Commerce	**623828**	**6.41**	623828	6.41
Dena Bank	**593936**	**6.10**	593936	6.10
UCO Bank	**515900**	**5.30**	515900	5.30

b) 1730000, 0.01% Cummulative Redeemable Shares -

Name of Shareholder	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Oriental Bank of Commerce	**1000000**	**57.80**	1000000	57.80
Axis Bank Ltd.	**500000**	**28.90**	500000	28.90
Blue Sky Securities Pvt. Ltd.	**200000**	**11.56**	200000	11.56

c) 500000, 9.75% Cumulative Redeemable Shares -

Name of Shareholder	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Jammu and Kashmir Bank Ltd.	**500000**	**100**	500000	100

(₹ in Lakhs)

	As at 31.03.2019	As at 31.03.2018
19. OTHER CURRENT LIABILITIES		
Advance Received from Customers	**239.89**	271.13
Direct Taxes	**302.23**	65.77
Indirect Taxes	**211.47**	41.70
Advance against sale of Fixed Assets*	**435.00**	435.00
	1188.59	813.60

* Advance against sale of Fixed Assets

Advance against the sale of fixed assets represents amount received for the sale of land apperaing in Note no. 2 (b) of notes on financial statements under the head Fixed Assets.

20. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

a) Contingent Liabilties		
Claim against the Company not acknowledged as debts	**218.33**	844.50
Guarantees	**32.65**	22.69
Other money for which company is contingently liable	**901.50**	1740.00
Fixed Deposits (Refer Note No. 33(d))	**-**	-
	1152.48	2607.19
b) Commitments	**-**	-
	1152.48	2607.19

(₹ in Lakhs)

	Year Ended 31.03.2019	Year Ended 31.03.2018
21. REVENUE FROM OPERATIONS		
Sale of Products		
Domestic	**45924.98**	41408.98
Exports	**29696.46**	18366.31
	75621.44	59775.29
Other Operating Revenues		
Export Incentives	**1093.59**	777.32
Others	**138.81**	98.30
	1232.40	875.62
	76853.84	60650.91
22. OTHER INCOME		
Interest Income	**82.23**	12.05
Others	**284.95**	360.22
	367.18	372.27

(₹ in Lakhs)

	Year Ended 31.03.2019	Year Ended 31.03.2018
23. COST OF MATERIALS CONSUMED		
Raw Materials	**32570.03**	21323.68
Packing Materials	**1738.06**	728.97
	34308.09	22052.65
24. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	**8515.20**	6798.40
Contribution to provident fund/ ESI	**331.50**	301.14
Gratuity and Leave Encashment Expenses	**362.65**	236.76
Staff Welfare	**327.12**	317.07
	9536.47	7653.37
25. FINANCE COST		
Interest expense	**161.37**	386.98
Dividends on Cumulative Preference Shares (refer Note No. 19)	**49.63**	48.75
	211.00	435.73
26. OTHER EXPENSES		
Consumption of Stores and spare parts	**236.29**	112.65
Power and Fuel	**1318.15**	1108.29
Rent	**417.03**	414.07
Repairs to buildings	**179.37**	120.62
Repairs to machinery	**437.95**	305.57
General Repairs	**93.71**	101.16
Insurance	**58.88**	56.31
Research & Development	**95.86**	50.42
Quality Control & Testing Charges	**440.96**	303.22
Rates and taxes excluding taxes on income	**141.34**	138.21
Legal and Professional Expenses	**1470.20**	898.06
Travelling Expenses	**1432.73**	1244.29
Miscellaneous Expenses	**1320.12**	1811.13
Selling and Distribution Expenses	**3273.22**	3003.68
	10915.81	9667.69

27. PRIOR PERIOD ITEMS

Expenses include ₹42.03 Lakhs (Previous Year ₹ 14.73 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 Revenue (₹/Lakhs)**	
	2018-19	2017-18
USA	**4279.75**	3921.38
Rest of World	**25416.71**	14444.93
India	**45924.98**	41408.98
Total	**75621.44**	59775.29

29. RELATED PARTY DISCLOSURES

Disclosure as required by Indian Accounting Standard "Related Party Disclosures" (Ind AS 24) issued by the Institute of Chartered Accountants of India are as under:

Related Parties	
1. Key Management Personnel	Morepen Laboratories Limited - Mr. Sushil Suri, Chairman & Managing Director, Dr. A.K. Sinha, Whole time Director Mr. Ajay Sharma, Chief Financial Officer Mr. Vipul Srivastava, Company Secretary from November 2018 Mr. Thomas P. Joshua, Company Secretary upto September 2018 Dr. Morepen Limited - Mr. Sanjay Suri, MD Mr. Ajay Sharma, Director & Chief Financial Officer Mr. Deepak Das, Company Secretary
2. 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	Park Hyatt Goa Resort and Spa (a unit of Blue Coast Hotels Ltd.) Edit 25 Lifestyle Private Limited
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

Transactions with related parties -

	Particulars	**Nature of transaction**	**(₹ in Lakhs)**
1.	Key Management Personnel	Remunertion	378.02
		Payable Balance as on 31.03.19	54.97
		(Maximum amount outstanding ₹ 75.14 Lakhs)	
2.	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	Balance Payable as on 31.03.19 (Maximum amount outstanding - ₹158.46 Lakhs)	Nil
		Receipt of services	34.48
		Balance Payable as on 31.03.19	4.07
		(Maximum amount outstanding - ₹ 13.30 Lakhs)	
3.	Relatives of key Management personnnels with whom the company has any transaction during the year	Remuneration	424.96
		Payable Balance as on 31.03.19	137.13
		(Maximum amount outstanding - ₹ 149.39 Lakhs)	

30. EARNING PER SHARE (EPS)

Particulars	31.03.2019	31.03.2018
Profit/ (Loss) after Tax (₹ in Lacs)	**2884.93**	2959.14
Weighted average number of equity shares outstanding	**449826203**	449826203
Earnings/(loss) per share in rupees (face value ₹ 2/- per share)	**0.64**	0.66

31. IMPAIRMENT

It is the view of management that there are no impairment conditions that exist as on 31st March, 2019. Hence, no provision is required in the accounts for the year under review.

32. TAXES

As required by Indian Accounting Standard "Income - taxes" i.e. (Ind-AS 12) issued by the Institute of Chartered Accountants of India, deferred tax asset on accumulated losses, is not recognized as a matter of prudence. Current year income tax is provided as per the provisionss of Income Tax Act, 1961.

33. OTHERS SIGNIFICANT DISCLOSURES

a) In the opinion of directors, all assets stated otherwise have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts and the provision for depreciation and for all known liabilities is adequate and considered reasonable.

b) Balances of Non-current liabilities, Current liabilties, Long terms loans and advances, Trade receivables, Short term loans and advances and banks are subject to confirmation.

c) Sales Tax assessments for earlier years are in progress. Demand, if any, shall be known & accounted for, on the completion of assessments.

d) During the financial year ended 31st March, 2010, pursuant to a Scheme of Arrangement & Compromise under Section 391 of the Companies Act, 1956 approved by the Hon'ble High Court of Himachal Pradesh vide its Order dated 4th August, 2009 the Company allotted 9,24,90,413 Equity Shares to the fixed deposit holders in settlement of their dues. On an appeal filed against the said Order by the Central Government, the Hon'ble Division Bench of the Hon'ble High Court of Himachal Pradesh remanded the matter back to single judge for considering the representation of central government and deciding the matter afresh. The matter was later transferred to Hon'ble National Company Law Tribunal (NCLT), Chandigarh. The Hon'ble NCLT vide its judgment dated 12th March, 2018 dismissed the Company's petition seeking approval of the Scheme of arrangement with the Fixed Deposit holders. However, Hon'ble NCLT further 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. It directed the company that it shall pay the outstanding amount as per the scheme approved by the Company Law Board (CLB) to the original FD holders (except to those who have since traded/transferred the shares allotted to them). The Company had filed an appeal before the Hon'ble National Company Law Appellate Tribunal (NCLAT) at New Delhi against the order dated 12th March, 2018 of the Hon'ble NCLT, Chandigarh. The Hon'ble NCLAT while issuing notice to the respondents has stayed the operation of the impugned order dated 12th March, 2018. The Hon'ble National Company Law Appellate Tribunal (NCLAT) after hearing the matter has reserved the order for judgment. Pending disposal of the company's appeal before Hon'ble NCLAT, the liability towards deposit holders, if any, is not ascertained. (Refer Note. No. 20)

e) In view of the amendments in the Companies Act during the year, the payment of remuneration to directors amounting to Rs. 356.00 Lakhs for the period April 2005 - March 2014, now does not require approval from central government.

f) During the year operations u/s 132 of Income Tax Act, 1961 were carried out by Income Tax Department on the premises of the company. No incriminating document was found.

g) Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout.

34. Corporate Social Responsibility (CSR)

a) During the financial year ended 31st March, 2019, CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof was ₹ 43.15 Lakh (Previous year ₹ 26.18 Lakh).

b) During the year the Company has made an expenditure of ₹ 45.06 Lakh (Previous year ₹ 31.80 Lakh) related to CSR.

c) Details of CSR expenditure incurred during the year ended 31st March, 2019 is as below :-

(₹ in Lakhs)

	31.03.2019	31.03.2018
CSR activity		
- Promotion of Healthcare	**32.55**	31.80
- Education	**12.51**	-
Total	**45.06**	31.80

MOREPEN LABORATORIES LIMITED

Regd. Off: Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, H.P.- 173 205
CIN: L24231HP1984PLC006028; **Website:** www.morepen.com;
E-mail Id: investors@morepen.com; **Tel No.:** +91-01795-276201-03; **Fax No.:** +91-01795-276204

NOTICE

NOTICE is hereby given that the **34th Annual General Meeting ('AGM')** of the members of **Morepen Laboratories Limited** will be held on **Friday, 13th of September, 2019 at 10.00 A.M.** at the Registered Office of the Company at Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh - 173 205, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement, including Consolidated Financial Statements, of the Company for the financial year ended 31st March, 2019 together with the reports of the Directors' and Auditors' thereon.

2. To appoint a Director in place of Mrs. Anju Suri (DIN: 00042033), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. **Increase in remuneration of Mr. Sushil Suri (DIN: 00012028), Chairman & Managing Director of the Company**

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

   "RESOLVED THAT pursuant to the provisions of Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to payment of such remuneration to Mr. Sushil Suri (DIN: 00012028), Chairman & Managing Director of the Company with effect from 1st April, 2019, as set out in the statement annexed to the Notice convening this Meeting with the liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the said terms and conditions of appointment and / or remuneration, pursuant to provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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

4. **Re-appointment of Dr. Arun Kumar Sinha (DIN: 00450783) as a Whole-Time Director of the Company**

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

   "RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Dr. Arun Kumar Sinha (DIN: 00450783) as a Whole-Time Director (designated as Director - Technical) of the Company, liable to retire by rotation, to hold office for a term of 3 (three) consecutive years with effect from 1st April, 2019 up-to 31st March, 2022 on the terms and conditions as specified in the statement pursuant to Section 102 of the Act annexed to this Notice and on the remuneration, which is as follows:

S. No.	Particulars	Amount (Rs.)
1.	Basic Pay	Upto ₹ 2,00,000 per month.
2.	Perquisites & Allowances	Upto ₹ 1,50,000 per month.

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

5. Re-appointment of Mr. Sukhcharan Singh (DIN: 00041987) as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("SEBI (LODR) Regulations") as in force and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India ("SEBI"), Mr. Sukhcharan Singh (DIN: 00041987), a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for an another term of 5 (five) consecutive years with effect from 19th September, 2019 upto 18th September, 2024.

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

6. Re-appointment of Mr. Manoj Joshi (DIN: 00036546) as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("SEBI (LODR) Regulations") as in force and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India ("SEBI"), Mr. Manoj Joshi (DIN: 00036546), a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for an another term of 5 (five) consecutive years with effect from 19th September, 2019 upto 18th September, 2024.

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

7. Re-appointment of Mr. Bhupender Raj Wadhwa (DIN: 00012096) as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("SEBI (LODR) Regulations") as in force and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India ("SEBI"), Mr. Bhupender Raj Wadhwa (DIN: 00012096), a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for an another term of 5 (five) consecutive years with effect from 19th September, 2019 upto 18th September, 2024.

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

8. Maintenance of Register of Members and other Statutory Registers at a place other than Registered Office of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 94 read with Section 88, Section 92 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, the consent of the members of the Company be and is hereby accorded to keep, maintain and preserve Register of Members and Index of Members of the Company and other Statutory Registers, copies of all annual returns, copies of certificates and documents required to be annexed thereto, at the Corporate

Office of Morepen Laboratories Limited ('the Company'), situated at 4th, Floor, Antriksh Bhawan, 22 Kasturba Gandhi Marg, New Delhi-110001, apart from keeping and maintaining the same at Registered Office of the Company.

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

9. Increase in the limits of Loan and Investment under Section 186(3) of the Companies act, 2013

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

"RESOLVED THAT in supersession of the earlier member's resolution passed , pursuant to the provisions of Section 186(3) and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), and the Companies (Meetings of Board and its Powers) Rules, 2014 and other Rules, Regulations, Notifications and Circulars framed thereunder including any statutory modification or re-enactment thereof for the time being in force, and such other approvals as may be required in that behalf, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to:

- give loans from time to time on such terms and conditions as it may deem expedient to any person or other bodies corporate;
- give on behalf of any person or body corporate, any guarantee, or provide security in connection with a loan made by any other person or by any body corporate; and
- acquire by way of subscription, purchase or otherwise the securities of any other body corporate,

in excess of the limits prescribed under Section 186 of the Act up to an aggregate sum of ₹ 5,00,00,00,000 (Rupees Five Hundred Crores Only) notwithstanding that the aggregate of loans and investments so far made, the amounts for which guarantee or security so far provided, along with the investments, loans, guarantee or security proposed to be made or given by the Board may exceed sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

FURTHER RESOLVED THAT the consent of the Company be and is hereby accorded to the Board to invest in the Subsidiaries, Associates, Related Parties, give loans to them; provide guarantees / security on their behalf, to any person or body corporate, within the limits, if any, as may be applicable from time to time and on such terms and conditions as may be deemed fit and expedient.

FURTHER RESOLVED THAT the Board be and is hereby authorised to negotiate the terms and conditions of the above said investment(s), loan(s), security(ies) or guarantee(s) as they deem fit and in the best interest of the Company and take all such steps as may be necessary to complete the same.

FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the Members of the Company."

10. Authorization for borrowings under Section 180 (1) (c) of the Companies Act, 2013

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

"RESOLVED THAT in supersession of the earlier member's resolution passed, pursuant to provisions of Section 180 (1)(c) and other applicable provisions of the Companies Act, 2013 along with rules made thereunder, Memorandum and Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company including any committee thereof for borrowing monies, from time to time, at its discretion either from the Company's bankers or any other bank(s), financial institutions(s), international lending agencies or any other lending institution(s), persons, firms, trusts or bodies corporate by way of deposits, advances or other loans, convertible/non-convertible debentures, commercial papers, bonds or any other debts instruments, whether unsecured or secured directly by mortgage, charge, hypothecation or pledge of any of the Company's assets and properties, book debts or by collateral security thereon or on such terms and conditions as may be considered suitable by the Board of Directors, even though the monies to be borrowed together with monies already borrowed by the company, apart from temporary loans obtained from Company's Bankers in the ordinary course of business, exceeds the aggregate paid-up capital of the Company and its free reserves i.e., reserves not set apart for any specific purpose provided, however, that the total amount of such borrowings shall not exceed the amount of ₹ 12,00,00,00,000/- (Rupees One Thousand Two Hundred Crores Only) at any time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient and also to delegate all or any of the above powers to the committee of Directors or any other officers of the Company for giving effect to the above resolution."

11. Creation of charge on assets under Section 180 (1) (a) of the Companies Act, 2013

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

"RESOLVED THAT in supersession of the earlier member's resolution passed, pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactments thereof) and rules made thereunder, the consent of the members be and is hereby accorded to the Board of Directors of the Company to mortgage and /or charge, in addition to the mortgages/charges created/to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/ or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company and together with the power to take over the management of business and concern of the Company in certain events of default, in favour of the lender(s), agent(s), trustee(s) for securing the borrowing of the Company availed/to be availed by the way of loan(s) (in foreign currency and/or in rupee currency) and securities (comprising of fully/partly convertible debentures/ non-convertible debentures and/or commercial papers and/or secured premium notes and/or floating rates notes/ bonds or other debt instruments), issue/to be issued by the Company, from time to time, in one or more tranches, upto an aggregate limit of ₹ 12,00,00,00,000/- (Rupees One Thousand Two Hundred Crores Only) as approved under Section 180 (1)(c) of the Companies Act, 2013 together with interest at the respective agreed rates, additional interest in case of default, accumulated interest, liquidation damages, commitment charges, premia on repayment, remuneration of the agent(s) and/or trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of the respective loan agreement(s), heads of agreement(s), debenture trust deed(s) or any other document entered into/to be entered into between the Company and the lender(s)/investor(s)/agent(s) and/or trustee(s) in respect of the said loans/ borrowings/any other securities and continuing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lender(s), agent(s) and/or trustee(s).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise the documents and such other agreements for creation of charge as aforesaid any to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution."

12. Ratification of remuneration of M/s. Vijender Sharma & Co., Cost Accountants, as Cost Auditors of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force and as per the recommendation of the Audit Committee, the Company hereby ratifies the remuneration of M/s. Vijender Sharma & Co., Cost Accountants, (FRN: 000180), appointed as Cost Auditors of the Company by the Board of Directors of the Company, to audit the cost records relating to manufacturing of Bulk Drugs and Formulations for the financial year 2019-2020, at a remuneration of ₹ 2,00,000/- excluding applicable taxes and out of pocket expenses.

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

By order of the Board of Directors
For Morepen Laboratories Limited

Place: New Delhi
Date: 27th July, 2019

CIN: L24231HP1984PLC006028

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Registered Office:
Morepen Village, Nalagarh Road,
Near Baddi, Distt. Solan, H.P. - 173205

NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') with respect to the special business set out under Item Nos. 3 & 12 of the Notice, is annexed hereto and forms part of the notice.
2. The relevant details, as required under Secretarial Standard - 2 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI (LODR) Regulations'), as amended, of persons seeking appointment/re-appointment as Director at the Annual General Meeting ('AGM') are furnished herewith and forms part of the Notice.
3. **A MEMBER ENTITLED TO ATTEND THE MEETING AND VOTE THERE AT IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in the aggregate not more than ten percent (10%) of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent (10%) of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.

   The instrument appointing proxies, in order to be effective, should be duly stamped, completed and signed and should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send, to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 7th September, 2019 to Friday, 13th September, 2019 (both days inclusive).
6. Members/Proxies should bring the Attendance Slip sent herewith, duly filled in and signed, for attending the meeting.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their de-mat accounts. Members holding shares in physical form can submit their PAN to the RTA of the Company (*i.e.,* 'MAS Services Limited').
8. As per Regulation 40 of SEBI (LODR) Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, MAS Services Limited for assistance in this regard.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to MAS Services Limited, for consolidation into a single folio.
10. At the 32nd AGM held on 22nd September, 2017 the members approved appointment of M/s. Satinder Goyal & Co., Chartered Accountants (FRN: 027334N) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 37th AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 7th May, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 34th AGM.
11. Pursuant to Section 110(1)(a) read with Secretarial Standards 2 of ICSI, resolutions proposed in item no. 09 and 11 shall be passed through postal ballot. However, the Companies (Amendment) Act, 2017, w.e.f., 08th February, 2018, business required to be transacted by means of postal ballot under clause 110(1)(a), may be transacted at a general meeting by the company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that section. The Company is providing e-voting facilities to the members, therefore, resolution as set out in item no. 09 and 11 are proposed for approval of members in 34th Annual General Meeting.
12. To support the 'Green Initiative', the Members are requested to register/update their e-mail id's, contact details and addresses with the RTA 'MAS Services Limited'/Depositories for receiving all communications including Annual Report, Notices, Circulars, etc., from the Company electronically.

13. The Notice of the 34th AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

14. Members may also note that the Notice of 34th AGM and the Annual Report for financial year 2018-19 will be available on Company's website, www.morepen.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who have any queries may write to us at investors@morepen.com.

15. The Auditors Report pursuant to Section 145 of the Companies Act, 2013, Register of Directors & Key Managerial Personnel and their Shareholdings pursuant to Section 170, Register of Contracts or Arrangements in which Directors are interested pursuant to Section 189 and the Register of Proxies, will be available for inspection by the members at the AGM.

16. Route Map showing directions to reach the venue of 34th AGM is given at the end of this Notice.

17. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members the facility to exercise their right to vote, on all the resolutions set forth in the Notice of 34th AGM of the Company, by electronic means through the remote e-voting services provided by National Securities Depository Limited (NSDL).

    The Members, whose name appear in the Register of Members, holding shares in physical or in dematerialised form, as on the cut-off date *i.e.*, Friday, 6th September, 2019 (end of day), including those preference shareholders whose dividends have remained unpaid for more than two years, are entitled to cast their votes on the resolutions set forth in this Notice.

    The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). The remote e-voting shall commence at 9.00 a.m. on Monday, 9th September, 2019 and shall end at 5.00 p.m. on Thursday, 12th September, 2019.

    In addition, the facility for voting by use of 'Ballot Paper' shall also be made available at the AGM, for all those members who are present at the AGM but have not cast their votes by remote e-voting.

    The members desirous to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

    Procedure for Remote E-voting:

    The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitation of remote e-voting for AGM. The instructions for remote e-voting are as under:

    (a) In case of members receiving e-mail from NSDL:

    i) Open the PDF file 'Morepen remote e-Voting.pdf' attached to the email, using your Client Id/ Folio No. as password. The PDF file contains your User Id and Password for remote e-voting. Please note that the password provided in PDF file is 'Initial Password'.

    ii) Launch internet browser and open https://www.evoting.nsdl.com/.

    iii) Click on Shareholder - Login.

    iv) If you are already registered with NSDL for remote e-voting, then you can use your existing User Id and Password/PIN for casting your vote.

    v) If you are logging in for the first time, please enter the 'User Id' and 'Initial Password' as noted in step (i) above and click on 'Login'.

    vi) Password change menu will appear. Change the 'Initial Password' with a new Password of your choice with minimum 8 digits/characters or combination thereof. Note the new Password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

    vii) Home page of remote e-voting will open. Click on remote e-voting: Active Voting Cycles.

viii) Select 'EVEN' of '**MOREPEN LABORATORIES LIMITED**'.

ix) Now you are ready for remote e-voting as 'Cast Vote' page opens.

x) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.

xi) Upon confirmation, the message 'Vote cast successfully' will be displayed.

xii) Once you have confirmed your vote on the resolution, you cannot modify your vote.

xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to investors@morepen.com with a copy marked to evoting@nsdl.co.in.

(b) In case of members receiving physical copy of the Notice of AGM and Attendance Slip:

i) Initial Password is provided as follows along with Attendance Slip:

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN	NO. OF SHARES
-	-	-	-

ii) Please follow all steps from S. No. (ii) to S. No. (xiii) above, to cast your vote.

General Instructions:

(a) During the remote e-voting period, members of the Company, holding shares either in physical or dematerialized form as on the cut-off date i.e. Friday, 6th September, 2019 (end of day), may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.

(b) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or Contact on toll free no.: 1800-222-990.

(c) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

(d) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date *i.e.,* Friday, 6th September, 2019 (end of day).

(e) Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date, *i.e.,* Friday, 6th September, 2019 (end of day), may obtain the login ID and password by sending a request to NSDL at evoting@nsdl.co.in or to the Company's Registrar - Mas Services Limited at info@masserv.com.

However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote.

Note: If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID + ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No + Folio No).

(f) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

(g) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

(h) The Company has appointed Mr. Praveen Dua, Practicing Company Secretary (Membership No. FCS 3573 & C.P. No. 2139) as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

(i) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of 'Ballot Paper' for all those members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.

(j) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

(k) The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.morepen.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall, simultaneously, be forwarded to NSE & BSE which shall place the results on their website.

By order of the Board of Directors
For Morepen Laboratories limited

Place: New Delhi
Date: 27th July, 2019

CIN: L24231HP1984PLC006028

Sushil Suri
(Chairman & Managing Director)
DIN: 00012028

Registered Office:
Morepen Village, Nalagarh Road,
Near Baddi, Distt. Solan, H.P. - 173205

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013, the following statement sets out all material facts concerning each item of special business mentioned under Item Nos. 3 to 12 of the accompanying Notice:

Item No. 3:

Mr. Sushil Suri (DIN: 00012028), is a fellow member of the Institute of Chartered Accountants of India (ICAI) and possesses a vast experience of more than 28 years in the various fields including finance, operations, management and managerial entrepreneurship in the pharmaceutical and hospitality industry. He is serving on the Board of Morepen Laboratories Limited since February, 1992 while he is acting as Chairman & Managing Director of the Company since October, 2000.

Considering his valued contribution in the conduct and growth of business, the Nomination and Remuneration Committee of the Board recommended his appointment as Chairman & Managing Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years with effect from 20th October, 2018 up-to 19th October, 2023 duly approved by the members of the Company at 33rd Annual General Meeting held on 21st September, 2018 within remuneration ceiling i.e., 5% of the net profit of the Company, calculated as per Section 198 of the Companies Act, 2013.

Keeping in view, the vast experience of Mr. Sushil Suri, the Board with the recommendation of the Nomination and Remuneration Committee at its meeting held on 27th July, 2019 has approved payment of remuneration up-to Rs. 5,00,00,000/- (Rupees Five Crore Only) per annum for the further period from 1st April, 2019 to 31st March, 2022 (i.e., for 3 years) to Mr. Sushil Suri, for which approval of the members is required. No sitting fees will be paid to Mr. Sushil Suri for attending meeting of the Board of Directors or any committee thereof. The details of remuneration are as under:

S. No.	Particulars	Amount (Rs.)
1.	Basic Pay	Upto ₹ 4,20,00,000 per annum
2.	Perquisites & Allowances	Upto ₹ 80,00,000 per annum

Pursuant to the Companies (Amendment) Act, 2017, first proviso of Section 197(1) of the Companies Act, 2013 amended with effect from 12th September, 2018, the Company through Special Resolution may make payment of remuneration exceeding eleven percent of the net profits of the Company, subject to the provisions of Schedule V. The requirement of approval of the Central Government has been omitted.

Provided also that the Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, therefore, requirements of prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, has not arisen before proposing this resolution for your approval.

Pursuant to Schedule V of the Companies Act, 2013, information related to appointee is given in **Annexure 'A'**.

Save and except Mr. Sushil Suri and Mrs. Anju Suri, none of Directors / Key Managerial Personnel of the Company / their relatives are in anyway, concerned or interested, financially or otherwise, in this resolution.

The Board commends the **Special Resolution** set out at Item No. 3 of the Notice for approval by the members.

Item No. 4:

The tenure of Dr. Arun Kumar Sinha (DIN: 00450783) as Whole-Time Director of the Company is completed on 31st March, 2019. On the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company ('the Board') at its meeting held on 30th March, 2019, subject to approval of the shareholders, re-appointed Dr. Arun Kumar Sinha as the Whole-Time Director of the Company.

Dr. Arun Kumar Sinha is aged about 68 years, who will attain the age of 70 years during his term of 3 years. Dr. Arun Kumar Sinha has rich and varied experience in the industry and has been involved in the operations of the Company. It would be in the interest of the Company to continue to avail of his considerable expertise and to re-appoint Dr. Arun Kumar Sinha as a Whole Time Director. Accordingly, approval of the members is sought for passing a Special Resolution for re-appointment of Dr. Arun Kumar Sinha as a Whole Time Director pursuant to the provisions Section of 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force.

The terms and conditions of re-appointment of Dr. Arun Kumar Sinha may be altered and varied from time to time by the Board/Nomination and Remuneration Committee in such manner as may be mutually agreed, subject to such approvals as may be required and within applicable limits of the Companies Act, 2013. No sitting fees will be paid to Dr. Arun Kumar Sinha for attending meeting of the Board of Directors or any committee thereof.

Save as provided in the foregoing paragraph, Dr. Arun Kumar Sinha satisfies all other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013, for being eligible for his re-appointment.

Pursuant to provisions of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and in compliance of the Secretarial Standard-2 of the ICSI, the Companies Act, 2013 and its rules made thereunder, the requisite disclosures are annexed with this notice as **Annexure-I**.

Pursuant to Schedule V of the Companies Act, 2013, information related to appointee is given in **Annexure 'A'**.

Except Dr. Arun Kumar Sinha, none of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way, concerned or interested, financially or otherwise, in this resolutions.

Board recommends the passing of the resolution set out at item no. 4 of the notice as **Special Resolution.**

Item No. 5 to 7:

The term of Mr. Sukhcharan Singh, Mr. Manoj Joshi, Mr. Bhupender Raj Wadhwa, as Non-Executive Independent Directors of the Company (hereinafter collectively referred as 'Independent Directors'), is going to be completed on 18th September, 2019. These Independent Directors have been appointed at the 29th Annual General Meeting held on 19th September, 2014.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company ('the Board') at its meeting held on 27th July, 2019, subject to the approval of the members, re-appointed Mr. Sukhcharan Singh, Mr. Manoj Joshi and Mr. Bhupender Raj Wadhwa as an Independent Directors of the Company for a second term of 5 consecutive years i.e., from 19th September, 2019 to 18th September , 2024, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations 2015'), or any amendment thereto or modification thereof. The brief profile of Independent Directors are as follows;

Mr. Sukhcharan Singh (DIN: 00041987), is a Bachelor in Arts and a Retired Inspector General of Police. He joined the Board of the Company in June, 2005 and has continued on the Board ever since as a Non-Executive Independent Director. He is the member of Audit Committee, Nomination and Remuneration Committee and the Stakeholders Relationship Committee of the Board.

Mr. Manoj Joshi (DIN: 00036546), is a Post Graduate in Commerce - Business Administration. He has got a rich experience of more than 36 years in the area of Board Management, Policy Management, Public Advocacy and Management Consultancy. He joined the Board of the Company in June, 1992 and has continued on the Board ever since as a Non-Executive Independent Director. He is the Chairman of Audit Committee, Nomination and Remuneration Committee and the Stakeholders Relationship Committee of the Board.

Mr. Bhupender Raj Wadhwa (DIN: 00012096), is a Graduate in Commerce and a Fellow Member of the Institute of Chartered Accountants of India. He is a Chartered Accountant in practice by profession having more than 31 years' experience in the area of accountancy and taxation. He joined the Board of the Company in June, 2005 and has continued on the Board ever since as a Non-Executive Independent Director. He is the member of Audit Committee and Nomination and Remuneration Committee of the Board.

The Board is of the view that the continued association of Mr. Sukhcharan Singh, Mr. Manoj Joshi and Mr. Bhupender Raj Wadhwa would benefit the Company, given the knowledge, experience and performance and contribution to Board processes by them. Declaration has been received from them that they meet the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015.

The Nomination & Remuneration Committee and the Board evaluated the performance of Mr. Sukhcharan Singh, Mr. Manoj Joshi, Mr. Bhupender Raj Wadhwa, rated them satisfactory on all parameters and recommended their re-appointment. All these independent directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management. A copy of draft letter of appointment of the above Independent Directors, setting out the terms and conditions of appointment, is available for inspection by the Members at the Registered Office of the

Company during normal business hours on any working day, excluding Saturday and also available on the website of the Company www.morepen.com.

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from 1st April, 2019, requires that any Non-Executive Director who has attained the age of 75 years or more cannot be appointed or continued as a Non-Executive Director in any listed company until and unless approval of Members has been obtained for the same by way of special resolution. Since Mr. Sukhcharan Singh, Non-Executive Independent Director of the Company is covered under the aforesaid provision being aged more than 75 years, the Company is required to obtain approval of Members by way of special resolution for continuing his Directorship in the Company. The justification of appointment of Mr. Sukhcharan Singh is already discussed in aforesaid paras.

Pursuant to provisions of Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and in compliance of the Secretarial Standard - 2 of the ICSI, the Companies Act, 2013 and its rules made thereunder, the requisite disclosures are annexed with this notice as **Annexure - I**.

Pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company recommend the passing of the resolutions set out under item nos. 5 to 7 as **Special Resolution**.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than the Independent Directors and their relatives for their respective appointment, are in any way, concerned or interested, financially or otherwise, in these resolutions.

Item No: 8

Under the provisions of the Section 94 of the Companies Act, 2013, (the "Act") and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, certain documents such as the register of members and index of members, preference shareholder's register, register and index of debenture holders, register and index of any other security holders, register of renewed and duplicate shares / debentures / securities certificates, other statutory registers as required to be maintained under the Companies Act, 2013 and its rules made thereunder and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Sections 92 of the Act, and other related books, are required to be maintained at the registered office of the Company.

Whereas, more than one-tenth of the total members of the Company are residing in the Delhi & National Capital Region and in the interest of operational and administrative convenience, it is proposed to maintain the register of members/ debenture holders, index of members/ debenture holders and copies of annual returns and other statutory registers at the Company's office situated at 4th Floor, Antriksh Bhawan, 22 Kasturba Gandhi Marg, New Delhi-110001, a place other than its registered office.

Pursuant to provision of first proviso of the Section 94 (1) of the Companies Act, 2013 and its rules made thereunder, the Board of Directors of the Company recommend the passing of the resolution set out under item no. 8 of the Notice as a **Special Resolution**.

None of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 9

In order to optimise the use of funds and also to achieve long term strategic and business objectives, the Board of Directors of the Company intends to make investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required.

The Company had obtained requisite approval of the members under erstwhile the Companies Act 1956, within the limit provided under the said Act. Whereas, pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders/ members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of members as contained in this notice for an amount not exceeding INR 5,00,00,00,000 (Rupees Five Hundred Crore Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed as per Section 186 of the Companies Act, 2013.

The Board of Directors of the Company recommends the passing of the resolution set out under item no. 9 of the Notice as a **Special Resolution.**

None of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

Item Nos. 10 & 11

The members of the Company in its meeting had empowered the Board of Directors of the Company to borrow up to an amount of ₹ 12,00,00,00,000/- (Rupees One Thousand Two Hundred Crores Only) as per section 293(1)(d) the Companies Act, 1956, the borrowing powers was required to be approved by members through 'Ordinary Resolution'. However, pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company should have approval of the members in form of 'Special Resolution' to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital, free reserves and Securities Premium of the Company.

There is no change in amount of borrowing powers for which approval was taken from members of the Company. Further, the borrowed money is less than the aggregate of Paid Up Capital, Free Reserves and Securities Premium of the Company in terms of Section 180(1) (c) of the Companies Act, 2013.

Further, to secure the said borrowings, which the Company may borrow from time to time, the Company may be required to create mortgages / charges / hypothecation in favour of the Lenders/Financial Institutions/Bodies Corporate/others, on all or any of its movable and immovable properties. In order to create aforesaid mortgages / charges / hypothecation, the Company had obtained the approval of members in form of 'Ordinary Resolution' in compliance of erstwhile the Companies Act, 1956. Presently, the consent of the members is require in the form of 'Special Resolution' under section 180(1)(a) of Companies Act, 2013.

There is no in change quantum up-to which the power was delegated to the Board of Directors for to create mortgages / charges / hypothecation in favour of the Lenders/Financial Institutions/Bodies Corporate/others, on all or any of its movable and immovable properties.

Accordingly, the resolutions as given in notice at item no. 11 & 12 are proposed to obtain approval of the members in term of the provision of Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013. The Board of Directors recommends passing of resolutions under item nos. 10 and 11, as **Special Resolutions.**

None of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 12:

As per the recommendations of the Audit Committee, the Board of Directors of the Company have appointed M/s. Vijender Sharma & Co., Cost Accountants, as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020 (FY 2019-20) pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force).

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors of the Company, has to be ratified by the members of the Company.

The Board of Directors of the Company recommends the passing of the resolution set out under item no. 12 of the Notice as an **Ordinary Resolution.**

None of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

ANNEXURE 'A'

Disclosure Pursuant to Schedule-V of the Companies Act, 2013

I. GENERAL INFORMATION

(1) Nature of the Industry

The pharmaceutical industry discovers, develops, produces, and markets drugs or pharmaceutical drugs for use as medications to be administered (or self-administered) to patients, with the aim to cure them, vaccinate them, or alleviate the symptoms. Morepen Laboratories Limited ('Morepen'/ 'the Company'), being a Pharmaceutical Company is dealing in generic or brand medications and medical devices. The Company is subject to a variety of laws and regulations that govern the patenting, testing, safety, efficacy and marketing of drugs.

(2) Date or expected commencement of commercial production

The Company commenced its operations since 1st December, 1984.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institution appearing in the prospectus.

Not Applicable

(4) Financial Performance based on given indicators:

(₹ in lakh)

Particular	2018-19	2017-18	2016-17
Sales & other Income	72,091.47	56,437.05	55,122.53
Profit before depreciation, Interest and Tax but after Prior Period Items	6,697.40	6,391.88	6,358.59
Depreciation/ Amortization	3,800.78	3,339.95	3,356.17
Interest and Finance Charges	207.08	429.46	747.35
Profit/Loss before Exceptional Item and Tax	2,689.54	2,622.47	2,255.07
Exceptional Gain/ (Loss)	-	-	-
Profit/ (Loss) before Tax	2,689.54	2,622.47	2,255.07

(5) Foreign Investments or Collaborations, if any

Except investment in Morepen Inc., Subsidiary Company, the company is not having any foreign investment/ foreign collaboration.

II. INFORMATION ABOUT THE APPOINTEE

S.no.	Particulars	Mr. Sushil Suri	Dr. Arun Kumar Sinha
(1)	Back ground details including qualification, experience etc.	Mr. Sushil Suri has more than 2 decades of experience in pharmaceuticals industry and has played an active role in the evolution of the pharma sector since 1992. His experience and expertise span all segments of the pharma industry including the fields of strategic & financial planning, manufacturing, capital structuring, collaborations and joint ventures etc. He is a qualified Chartered Accountant & a Fellow member of the Institute of Chartered Accountants of India.	Dr. Arun Kumar Sinha, has a professional having experience of more than 47 years in pharmaceutical companies in different lines. Dr. Arun Kumar Sinha joined the Board of the Company in June, 2005 as the Whole Time Director of the Company. Mr. Sinha is a M.Sc. & P.hd. in Chemistry, holding P.G. Diploma in personnel management and industrial relations.

(2)	Past Remuneration	Upto Rs. 3,00,00,000/-, subject to maximum of 5% of the net profit calculated as per Section 198 of the Companies Act, 2013.	Upto Rs. 45,00,000/-.
(3)	Recognition or awards	Mr. Sushil Suri is associated with the pharmaceutical industry from more than 2 decades. He has diversified experience of finance, operations, management and managerial entrepreneurship in the pharmaceutical industry.	Dr. Arun Kumar Sinha is associated with the pharmaceutical industry from more than 4 decades. He has vast experience in the pharmaceutical sector specially in formulations.
(4)	Job Profile and suitability	As Chairman and Managing Director of the Company, Mr. Sushil Suri is responsible for all matters pertaining to finance, raising of funds, investor relations and business development. Mr. Suri has vast experience and expertise span in all segments of the pharma industry including the fields of strategic & financial planning, capital structuring, collaborations & joint ventures, manufacturing and sales/ marketing. He is highly suitable for the job.	Dr. Arun Kumar Sinha is heading the formulations facility of the Company. Since June, 2005, he is acting as Whole Time Director of the Company and serving the Company by providing his stewardship at the plant level.
(5)	Remuneration Proposed/ remuneration sought to be paid	The remuneration is proposed to pay him is upto Rs. 5,00,00,000/- per annum from 1st April, 2019 to 31st March, 2022.	The remuneration is proposed to pay him is upto Rs. 42,00,000/- per annum from 1st April, 2019 to 31st March, 2022.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration of Mr. Sushil Suri is fully justifiable and comparable to that prevailing in the industry, keeping in view the profile and the position of Chairman and Managing Director respectively and enriched knowledge & vast experience. He shall be looking after and responsible for the whole affairs of the management of the Company and shall be accountable to the Board of Directors of the Company.	The remuneration of Dr. Arun Kumar Sinha is fully justifiable and comparable to that prevailing in the industry. He is holding a key position and profile in the Company since long time. He is designated as a Whole Time Director - Technical.
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any	Mr. Sushil Suri is a Promoter Director of the Company. He is spouse of Mrs. Anju Suri, Director of the Company. Except and otherwise, Mr. Suri does not have any pecuniary relationship with the Company and is not related with any other director or any other managerial personnel(s) of the Company.	Dr. Arun Kumar Sinha does not have any pecuniary relationship with the Company and is not related with any other director or any other managerial personnel(s) of the Company.

III. OTHER INFORMATION

(1) Reasons for loss/inadequacy of profits

The Company is engaged in the manufacturing of bulk drugs and its intermediates. In the early years of its incorporation, the Company's financial position went on well. However, during the years 2000-02, due to a sharp fall in Company's prime product 'Loratadine' in the international markets, the Company faced huge financial loss which adversely affected the sustainability of its operations as well as its ability to meet its debt servicing obligations.

Presently, the pharmaceutical industry continues to thrive, yet there are several challenges that may affect the industry's future growth in 2019 and beyond. The drug prices are at an all-time high, R&D productivity has only just begun to climb again following a limitation faced in previous few years. The Indian Pharmaceutical Sectors is recovering from regulatory turbulence in the most profitable global market, top Indian pharma companies have zeroed in on cost rationalization, better compliance standards and more nimble response to competition while hoping the Chinese market could provide some respite ahead. The Company is incurring significant expenses in technology, infrastructure and skilled professionals for successfully running its business. The company faces several competitive pressures from within the pharmaceutical industry and from other international challenges. The company has been making significant investments in various areas to maintain its leadership position within the industry and further grow of its business.

(2) Steps taken or proposed to be taken for improvement

The Company is currently focusing on a new therapeutic category i.e., Anti-Coagulant in which few drugslike Apixaban & Rivaroxaban are among the top 10 selling drugs in 2017 & 2018. The Company is also focusing on another anti-coagulant drug Edoxaban Tosylate for its development in the R&D. Another molecule Dabigatran Etexilate Mesylate of same category used for Thromboembolic disorders is in advanced stages of R&D development. The Company anticipate to make its hold further strong in anti-histaminic category by developing Rupatadine Fumarate in the coming year.

The Company has filed five new patent applications for Crystalline Empagliflozin, Novel purification process of UDCA, Novel purification and preparation process of Rivaroxaban, Rupatadine Fumarate Polymorphic Form A & for Pharmaceutical Composition in Form of Aqueous Syrup Comprising Desloratadine and Montelukast Sodium.

The formulation and home diagnostics business has significantly improved during the year and efforts are on to make significant growth in the coming years. The customers having reposed confidence in our branded product portfolio will be offered new products during the coming years and market penetration shall also be improved.

The tie-up with Vésale Pharma International of Belgium will be offering the entire product folio in immediate future and company expects to have some footprint in Probiotics market in India.

The company is reaching more markets and servicing large spectrum of people to deliver its wide range of products.

(3) Expected increase in productivity and profits in measurable terms

The Company expects improvement in its profitability as a result of aforesaid efforts.

IV. DISCLOSURES

The details of proposed remuneration are set out in the accompanying notice. The Company shall make appropriate disclosures as required under Schedule V of the Companies Act, 2013 in the Corporate Governance Report forming part of the Directors' Report of the Company.



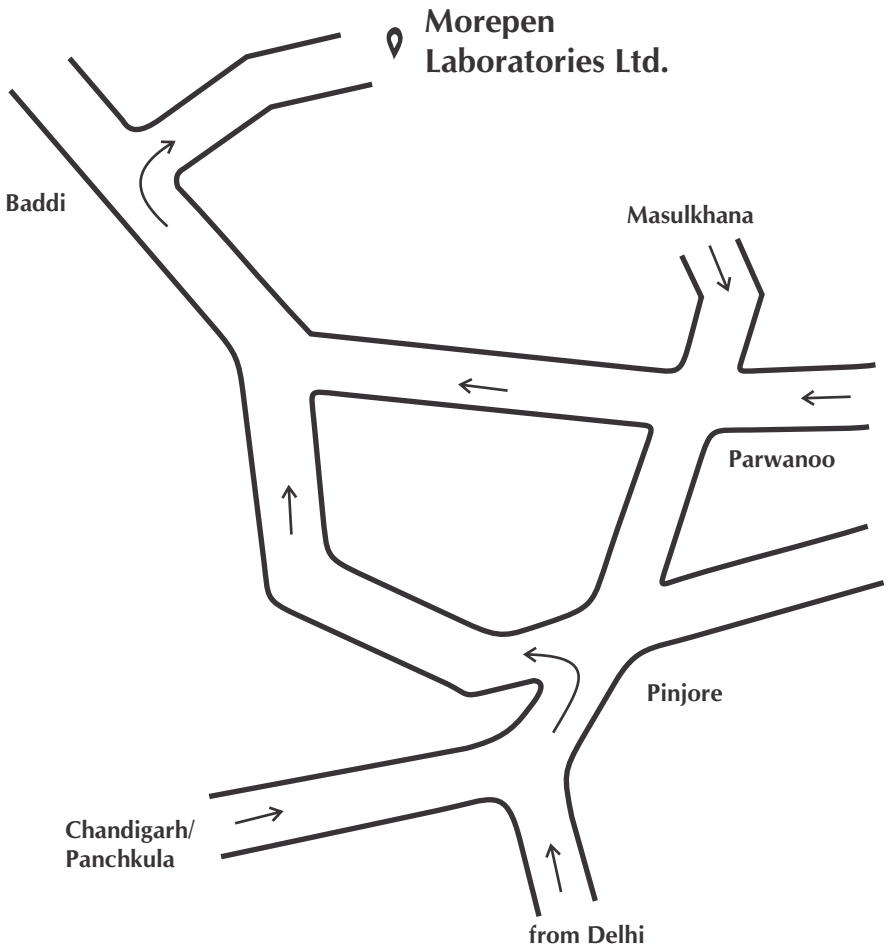
Details of Directors Seeking Appointment/Re-appointment at the Annual General Meeting

(Pursuant to Secretarial Standards - 2, Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 & Companies Act, 2013)

Particulars	Mr. Sushil Suri	Mrs. Anju Suri	Dr. A.K. Sinha	Mr. Manoj Joshi	Mr. B.R. Wadhwa	Mr. Sukhcharan Singh
Date of Birth (Age)	18.01.1964 (55 years)	23.10.1967 (51 years)	17.03.1951 (68 years)	14.05.1957 (62 years)	29.01.1965 (54 years)	07.09.1942 (77 years)
Date of first Appointment	01.02.1992	09.11.2016	15.06.2005	27.06.1992	15.06.2005	15.06.2005
Qualifications	B.Sc., FCA	M.A. (Sociology) & B.Ed	M.Sc. - Chemistry, Ph.D. - Chemistry, PG Diploma in Personnel Management & Industrial Relations	M.Com - Business Administration	B.Com, FCA	B.A., Retired Inspector General (IG) of Police
Expertise in specific functional areas	Wide experience of more than 25 years in the various fields including finance, operations, management and managerial entrepreneurship in the pharmaceutical and hospitality industry.	Wide experience of more than 16 years in the Administration & HR and implementation and execution of special projects.	Wide professional and technical expertise of more than 47 years in the pharmaceutical industry.	Rich experience of more than 36 years in the area of board management, policy management, public advocacy and management consultancy.	Professional expertise of more than 31 years in the area of finance, accountancy and taxation.	Vast experience in the area of administration and public policy.
Directorships in other Companies (excluding foreign companies)	• Shivalik Pesticides and Chemicals Private Limited • Concept Credits and Consultants Private Limited • Scope Credits and Financial Services Private Limited • React Investments and Financial Services Private Limited • Seed Securities and Services Private Limited	• Square Investments and Financial Services Private Limited • Backhome Foods and Foods Private Limited • Seed Securities and Services Private Limited • Epitome Holdings Private Limited • React Investments and Financial Services Private Limited	Nil	Nil	Dr. Morepen Limited	Dr. Morepen Limited

	• Epitome Holdings Private Limited • Brook Investments and Financial Services Private Limited • Square Investments and Financial Services Private Limited • Liquid Holdings Private Limited • Silver Resort Hotel India Private Limited	• Blue Coast Hotels Limited • Morepen Hospitality Limited • Morepen Biotech Limited				
Memberships/ Chairmanships of Board Committees in other Companies (includes only Audit Committee and Shareholders/Investor Grievance Committee)	Nil	Chairman of Stakeholder Relationship Committee- Blue Coast Hotels Limited	Nil	Nil	Chairman of Audit Committee -Dr. Morepen Limited	Member of Audit Committee -Dr. Morepen Limited
Details of remuneration sought to be paid and last drawn (approved) remuneration	Proposed- upto ₹ 5 crore Last drawn - upto ₹ 3 crore	N.A	Proposed- upto ₹ 42 Lakh Last drawn - upto ₹ 45 Lakh	Nil	Nil	Nil
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	H/o. Mrs. Anju Suri, Director	W/o. Mr. Sushil Suri, Chairman & Managing Director	Nil	Nil	Nil	Nil
No. of meetings of Board attended during the year (2018-19)	5	5	3	5	5	5
Number of shares held in the Company	55,01,510	51,86,369	100	Nil	Nil	Nil
DIN	00012028	00042033	00450783	00036546	00012096	00041987
Terms and Conditions of appointment/ Reappointment	As set out in item no. 3 of the Explanatory Statement	Non-Executive Director, liable to retire by rotation and being eligible, offer herself for re-appointment	As set out in item no. 4 of the Explanatory Statement	As set out in item nos. 5 to 7 of the Explanatory Statement		

ROUTE MAP TO THE AGM VENUE



(Map not to scale)

MOREPEN LABORATORIES LIMITED

Regd. Off: Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, H. P.– 173 205
CIN : L24231HP1984PLC006028; **Website :** www.morepen.com;
E-mail Id : investors@morepen.com; **Tel No.:** +91-01795-276201-03; **Fax No.:** +91-01795-276204

Form No. MGT – 11
PROXY FORM

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

Name of the Member(s): .....
Registered address:.....
E-mail Id: ..... Folio No. /DP ID & Client ID:.....

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

1) Name: ..... E-mail Id: .....
Address: .....
..... Signature:
2) Name: ..... E-mail Id: .....
Address: .....
..... Signature:

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Friday, the 13th day of September, 2019 at 10.00 a.m. at the Registered Office of the Company at Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, H. P. – 173205 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Description	For	Against
1.	Adoption of Audited Financial Statement, including Consolidated Financial Statements, of the Company for the financial year ended 31st March, 2019 together with the reports of the Directors' and Auditors' thereon		
2.	Appointment of a Director in place of Mrs. Anju Suri (DIN: 00042033), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.		
3.	Increase in remuneration of Mr. Sushil Suri (DIN: 00012028), Chairman & Managing Director of the Company		
4.	Re-appointment of Dr. Arun Kumar Sinha (DIN: 00450783) as a Whole-Time Director of the Company		
5.	Re-appointment of Mr. Sukhcharan Singh (DIN: 00041987) as an Independent Director of the Company		
6.	Re-appointment of Mr. Manoj Joshi (DIN: 00036546) as an Independent Director of the Company		
7.	Re-appointment of Mr. Bhupender Raj Wadhwa (DIN: 00012096) as an Independent Director of the Company		
8.	Maintenance of Register of Members and other Statutory Registers at a place other than Registered Office of the Company		
9.	Increase in the limits of Loan and Investment under section 186(3) of the Companies act, 2013		
10.	Authorization for borrowings under Section 180 (1) (c) of the Companies Act, 2013		
11.	Creation of charge on assets under Section 180 (1) (a) of the Companies Act, 2013		
12.	Ratification of remuneration of M/s. Vijender Sharma & Co., Cost Accountants, as Cost Auditors of the Company		

Signed this ..... day of ..... 2019. Signature of Member(s): .....

Affix Revenue Stamp

NOTES:

1) Please put a 'X' in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
2) Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in the aggregate not more than ten percent (10%) of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent (10%), of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.
3. This form of Proxy in order to be effective should be duly completed, stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

MOREPEN LABORATORIES LIMITED

Regd. Off : Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, H. P.– 173205
CIN: L24231HP1984PLC006028; **Website :** www.morepen.com;
E-mail Id : investors@morepen.com; **Tel No.:** +91-01795-276201-03; **Fax No.:** +91-01795-276204

E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

You are aware that the provisions of Companies Act, 2013 have been made effective from 1st April, 2014. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, Companies can serve Annual Reports, Notices and other communications through electronic mode to those shareholders who have registered their email address either with the Company/ RTA or with the Depository.

It is a welcome move that would be benefit the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This provides a golden opportunity to every shareholder of Morepen Laboratories Limited to contribute to the cause of 'Green Initiative' by giving their consent to receive various communications from the Company through electronic mode.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode. You can also download the appended registration form from the website of the Company www.morepen.com.

[Please note that as a Member of the Company, you will be entitled to receive all such communication in physical form, upon request.]

Best Regards,

Sd/-

Sushil Suri

(Chairman & Managing Director)

E-COMMUNICATION REGISTRATION FORM

Folio No. /DP ID & Client ID: .....

Name of the 1st Registered Holder: .....

Name of the Joint Holder[s]: (1) ..... (2) .....

Registered Address: .....

E-mail ID (to be registered): ..... Mob./Tel. No.: .....

I/We shareholder(s) of Morepen Laboratories Limited hereby agree to receive communications from the Company in electronic mode. Please register my above E-mail ID in your records for sending communications in electronic form.

Date: ..... Signature: .....

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.



The USFDA approved plant at Masulkhana



MOREPEN

The Joy Of Growing Together

Morepen Laboratories Limited
(CIN: L24231HP1984PLC006028)
Corp. Off. : 4th floor, Antriksh Bhawan, 22 K.G. Marg, New Delhi - 110 001, INDIA
Tel.: 91-11-23324443, 23712025, Fax : 91-11-23722422
E-mail : investors@morepen.com Website : www.morepen.com

Perfect10 Advertising

MOREPEN LABORATORIES LIMITED

Regd. Off: Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh – 173 205
CIN: L24231HP1984PLC006028; **Website:** www.morepen.com;
E-mail id: investors@morepen.com; **Tel No.:** +91-01795-276201-03; **Fax No.:** +91-01795-276204

Addendum to the Notice of the 34th Annual General Meeting (AGM) of Morepen Laboratories Limited to be held on Friday, 13th September, 2019 at 10.00 a.m. at Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh – 173 205.

Your Directors recommend the following resolutions i.e., appointment of Mr. Sanjay Suri (DIN: 00041590) as a Whole-Time Director and Mr. Praveen Kumar Dutt (DIN: 06712574) as an Independent Director of the Company for your approval at the 34th AGM.

Notice is hereby given that the following items of business are added in the aforesaid Notice as Item No. 13 and Item no. 14 as **Special Business**:

13. Appointment of Mr. Sanjay Suri (DIN: 00041590) as a Whole-Time Director

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 (the 'Act') read with Schedule V of the said act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) or any amendment thereto or modification thereof, Mr. Sanjay Suri (DIN: 00041590), who was appointed as an Additional Director designated as Whole Time Director of the Company pursuant to provisions of Section 161 of the Act and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Whole Time Director of the Company, liable to retire by rotation, for a period of three years with effect from 13th August, 2019 to 12th August, 2022 on such terms and conditions as specified in the explanatory statement pursuant to Section 102 of the Act annexed to this Notice and on the remuneration as follows:

S. No.	Particulars	Amount (Rs.)
1.	Basic Pay and Allowances	Upto Rs. 1.26 Crore per annum
2	Other Perquisites	Upto Rs. 0.24 Crore per annum
3	Commission(s) and/or Incentives	Upto Rs. 2.00 Crore per annum

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

14. Appointment of Mr. Praveen Kumar Dutt (DIN: 06712574) as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing

Regulations"), Mr. Praveen Kumar Dutt (DIN: 06712574), who was appointed as an Additional Director, designated as Independent Director, pursuant to provisions of Section 161 of the Act and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a term of five (5) consecutive years w.e.f., 13th August, 2019, to 12th August, 2024 and not liable to retire by rotation.

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

By order of the Board of Directors
For Morepen Laboratories Limited

Sushil Suri
Chairman & Managing Director
DIN:00012028

Place: New Delhi
Date: 13.08.2019

NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business as proposed above to be transacted at the AGM is annexed hereto.
2. Statement giving details of the Director seeking appointment pursuant to the requirement of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting ("SS-2") is given below.
3. Relevant documents referred to in this Addendum to Notice of 34th AGM are open for inspection purpose at the Registered Office of the Company during its business hours on all working days up to the date of AGM.
4. This Addendum to the Notice of 34th AGM is available along with the Notice of 34th AGM and Annual Report on the website of the Company **www.morepen.com**. The revised Proxy Form including the resolution proposed hereinabove is enclosed and also available on the website of the Company. This revised Proxy Form will supersede the earlier Proxy Form annexed with the Notice of AGM.
5. All the processes, notes and instructions relating to e-voting set out for and applicable to the ensuing 34th AGM shall *mutatis-mutandis* apply to the e-voting for the Resolution proposed in this Addendum to the Notice. Furthermore, Scrutinizer appointed for the ensuing 34th AGM will act as a Scrutinizer for the Resolutions proposed in this Addendum to the Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 13

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, was appointed Mr. Sanjay Suri (DIN: 00041590) as a Whole-Time Director (Additional) on the Board of the Company, on 13th August, 2019 to hold office upto the date of ensuing 34th Annual General Meeting of the Company and with the approval of members for a period of three (3) years commencing from 13th August, 2019 to 12th August, 2022.

Mr. Sanjay Suri is a science graduate from Punjab University India. He is also the Managing Director of Dr. Morepen Limited *(A wholly Owned subsidiary of Morepen Laboratories Limited)* and the affairs of the Company are managed under his active involvement, guidance and supervision. He has around 26 years of business experience and has good knowledge in the field of accounts, finance, banking and operations of pharmaceutical business. His key role is planning, directing, coordinating the affairs of the API Business of the Company. He is currently heading the API Business, which is the largest business segment of the Company. He is also involved in formulating policies, managing daily operations, planning strategies, initiating efficient systems and procedures for effective functioning of the Company. Mr. Suri is responsible for:

1. An overall administration of the API business,
2. Implementation of pharmaceutical quality systems from time to time to comply with USFDA (United States Food & Drug Administration).
3. Business development, management reviews etc. from time to time.

Pursuant to provisions of Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and in compliance of the Secretarial Standard – 2 of the ICSI, the Companies Act, 2013 and its rules made thereunder, the requisite disclosures are annexed with this notice as **'Annexure A-1'**.

Pursuant to Schedule V of the Companies Act, 2013, information related to appointee is given in **'Annexure B'**.

The Board of Directors of the Company recommend the passing of this resolution as a **Special Resolution**.

Except Mr. Sushil Suri and Mrs. Anju Suri, none of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way, concerned or interested, financially or otherwise, in these resolutions.

Item No. 14

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, was appointed Mr. Praveen Kumar Dutt (DIN: 06712574) as an Additional Director (Independent Category) on the Board of the Company, not liable to retire by rotation, pursuant to Section 161 of the Companies Act, 2013 on 13th August, 2019 to hold office upto the date of ensuing 34th Annual General Meeting of the Company.

Mr. Praveen Kumar Dutt is a fellow member of the Institute of Chartered Accountants of India with post qualification experience of around 25 years in the field of Direct Taxation, FEMA, International Taxation.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, he fulfills the criteria of Independence and possesses appropriate skills, experience and knowledge for being appointed as an Independent Director. Considering his vast experience and knowledge and strategic guidance his appointment would be in the interest of the Company.

The Board of Directors recommends the appointment of Mr. Praveen Kumar Dutt as an Independent Director of the Company for a term of five (5) consecutive years commencing from 13th August, 2019, not liable to retire by rotation, as set in this Addendum to the Notice of 34th AGM.

Pursuant to provisions of Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and in compliance of the Secretarial Standard – 2 of the ICSI, the Companies Act, 2013 and its rules made thereunder, the requisite disclosures are annexed with this notice as **'Annexure A-1'**.

The Board of Directors of the Company recommend the passing of this resolution as an **Ordinary Resolution**.

None of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way, concerned or interested, financially or otherwise, in these resolutions.

Annexure – A-1

BRIEF RESUME OF DIRECTOR SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING IN ACCORDANCE WITH THE SECRETARIAL STANDARDS ("SS-2") AND REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Particulars	Mr. Sanjay Suri	Mr. Praveen Kumar Dutt
Date of Birth	04.08.1968	01.08.1968
Date of first Appointment	13.08.2019*	13.08.2019
Qualifications	Bachelor of Science (B.Sc.)	Chartered Accountant
Expertise in specific functional areas	He has around 26 years of experience in the field of accounts, finance, banking and operations of pharmaceutical business.	A fellow member of the Institute of Chartered Accountant of India (ICAI) with the post qualification experience of around 25 years in the field of direct Tax Matters, FEMA, and International Taxation.
Directorships in other Companies (excluding foreign companies)	• Shivalik Pesticides and Chemicals Private Limited • Blueheaven Marketing Private Limited • Joy Hotel and Resorts Private Limited • Mid-Med Financial Services and Investments Private Limited • Solitary Investments and Financial Services Private Limited • Solace Investments and Financial Services Private Limited • Total Care Limited • Dr. Morepen Limited • Silver Resort Hotel India Private Limited	• Blue Coast Hotels Limited • SI Infratel Limited

Memberships/Chairmanships of Board Committees in other Companies (includes only Audit Committee and Stakeholder Relationship Committee)	Nil	Chairman of Audit Committee: Blue Coast Hotels Limited Member of Stakeholder Relationship Committee: Blue Coast Hotels Limited
Details of remuneration sought to be paid and last drawn (approved) remuneration	Proposed- upto 3.5 Crore (including commission and/or incentive per annum Last drawn - Not applicable	N.A
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	Brother of Mr. Sushil Suri, Chairman and Managing Director	N.A
No. of meetings of Board attended during the year (2018-19)	NIL	NIL
Number of shares held in the Company	34,17,240	–
DIN	00041590	06712574
Terms and Conditions of appointment/ Reappointment	As set out in item no. 13 of the Explanatory Statement	As set out in item no. 14 of the Explanatory Statement

* Mr. Sanjay Suri, has been associated as Director of the Company from 14.10.2002 to 08.03.2003.

Annexure B

Disclosure pursuant to Schedule V of the Companies Act, 2013

I. GENERAL INFORMATION: Please refer to the notice of 34th Annual General Meeting dated 27th July 2019. For the sake of brevity is not repeated here.

II. INFORMATION ABOUT APPOINTEE:

S. No.	Particulars	Remarks
(1)	Back ground details including qualification, experience etc.	Mr. Sanjay Suri is a Bachelor of Science (B.Sc.), having more than 26 years of experience in pharmaceuticals industry. He has varied experience in the field of accounts, finance, banking and international sales and marketing, exports, joint ventures, statutory and regulatory approvals related to USFDA, strategic planning and manufacturing etc.
(2)	Past Remuneration as Director of the Company	Not applicable
(3)	Recognition or awards	Mr. Sanjay Suri heading API Business of the Company and instrumental in attainment of USFDA approvals of manufacturing plants of the Company.
(4)	Job Profile and suitability	He is playing key role in planning, directing, coordinating the affairs of the API Business of the Company. He is also involved in formulating policies, managing daily operations, planning strategies, initiating efficient systems and procedures for effective functioning of the Company. Mr. Suri is highly suitable for the job.
(5)	Remuneration Proposed/ remuneration sought to be paid	The remuneration proposed to pay him is up-to Rs. 3,50,00,000/- (including commission and/or incentive) per annum from August 13. 2019 to August 12, 2022.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration of Mr. Sanjay Suri is fully justifiable and comparable to that prevailing in the industry, keeping in view the profile handled by him, having enriched knowledge and vast experience. He shall be looking after manufacturing facilities of all plants of the Company in Himachal Pradesh.
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any	Mr. Sanjay Suri is a promoter of the Company. He is brother of Mr. Sushil Suri and Brother in law of Mrs. Anju Suri, Directors of the Company. Except and otherwise, Mr. Sanjay Suri does not have any pecuniary relationship with the Company and is not related with any other director or any other managerial personnel(s) of the Company.

III. OTHER INFORMATION: Please refer to the notice of 34th Annual General Meeting dated 27th July 2019. For the sake of brevity is not repeated here.

IV. DISCLOSURES: This item to the notice has been added after approval of Directors Report and Corporate Governance Report of the Company. However, necessary information provided in this addendum to the notice of 34th Annual General Meeting.

MOREPEN LABORATORIES LIMITED

Regd. Off: Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, H. P.– 173205

CIN: L24231HP1984PLC006028; **Website:** www.morepen.com;

E-mail Id: investors@morepen.com; **Tel No.:** +91-01795-276201-03; **Fax No.:** +91-01795-276204

Form No. MGT – 11

PROXY FORM

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

Name of the Member(s): .....

Registered address:.....

E-mail Id: ..... Folio No. /DP ID & Client ID:.....

I/We, being the member(s) of the above named company holding ..... shares of Rs. ..... each, hereby appoint

1) Name: ..... E-mail Id: .....
Address: .....
..... Signature: ☐ or failing him/her

2) Name: ..... E-mail Id: .....
Address: .....
..... Signature: ☐

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Friday, the 13th day of September, 2019 at 10.00 a.m. at the Registered Office of the Company at Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, H. P. – 173205 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Description	For	Against
1.	Adoption of Audited Financial Statement, including Consolidated Financial Statements, of the Company for the financial year ended 31st March, 2019 together with the reports of the Directors' and Auditors' thereon.		
2.	Appointment of a Director in place of Mrs. Anju Suri (DIN: 00042033), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.		
3.	Increase in remuneration of Mr. Sushil Suri (DIN: 00012028), Chairman & Managing Director of the Company.		
4.	Re-appointment of Dr. Arun Kumar Sinha (DIN: 00450783) as a Whole-Time Director of the Company.		
5.	Re-appointment of Mr. Sukhcharan Singh (DIN: 00041987) as an Independent Director of the Company.		

6.	Re-appointment of Mr. Manoj Joshi (DIN: 00036546) as an Independent Director of the Company.		
7.	Re-appointment of Mr. Bhupender Raj Wadhwa (DIN: 00012096) as an Independent Director of the Company.		
8.	Maintenance of Register of Members and other Statutory Registers at a place other than Registered Office of the Company.		
9.	Increase in the limits of Loan and Investment under section 186(3) of the Companies act, 2013.		
10.	Authorization for borrowings under Section 180 (1) (c) of the Companies Act, 2013.		
11.	Creation of charge on assets under Section 180 (1) (a) of the Companies Act, 2013.		
12.	Ratification of remuneration of M/s. Vijender Sharma & Co., Cost Accountants, as Cost Auditors of the Company.		
13.	Appointment of Mr. Sanjay Suri (DIN: 00041590) as a Whole-Time Director of the Company.		
14.	Appointment of Mr. Praveen Kumar Dutt (DIN: 06712574) as an Independent Director of the Company.		

Signed this _____ day of _____ 2019. Signature of Member(s): _____

Affix Revenue Stamp

NOTES:

1) Please put a 'X' in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

2) Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in the aggregate not more than ten percent (10%) of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent (10%), of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.

3) This form of Proxy in order to be effective should be duly completed, stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

MOREPEN LABORATORIES LIMITED

CIN : L24231HP1984PLC006028
Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan,
Himachal Pradesh-173 205, Tel. No. : +91-01795-276201-03, Fax : +91-01795-276204
Email : investors@morepen.com Website : www.morepen.com

PPP

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD	NO. OF SHARES

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	**From 09.00 a.m. (IST) on Monday, September 09, 2019**
End of remote e-voting	**Upto 05.00 p.m. (IST) on Thursday, September 12, 2019**

The remote e-voting will not be allowed beyond the aforesaid date & time and the remote e-voting module shall be disabled by NSDL thereafter.

The cut-off date for the purpose of remote e-voting is Friday, September 6, 2019 (end of day).

---------- TEAR HERE----------

MOREPEN LABORATORIES LIMITED

CIN : L24231HP1984PLC006028
Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan,
Himachal Pradesh-173 205, Tel. No. : +91-01795-276201-03, Fax : +91-01795-276204
Email : investors@morepen.com Website : www.morepen.com

ATTENDANCE SLIP

Regd. Folio No. / DP ID - Client ID : _____

Name & Address of First/Sole Shareholder : _____

No. of Shares held : _____

I/We hereby record my/our presence at the 34th Annual General Meeting of the Company to be held on Friday, September 13, 2019 at 10.00 a.m. at Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan, Himachal Pradesh - 173 205

_____
Signature of Member/Proxy

Notes :

a) Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.

b) Member / Proxy who wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed.

c) Corporate members intending to send their authorized representatives to attend the meeting are requested to send, to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.